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<b>State:</b>	Virginia	<b>Filing Company:</b>	The Prudential Insurance Company of America
<b>TOI/Sub-TOI:</b>	LTC03G Group Long Term Care/LTC03G.001 Qualified		
<b>Product Name:</b>	Group Long Term Care Insurance		
<b>Project Name/Number:</b>	GLTC-4 Re-Rate/7G-2018		

## Filing at a Glance

Company:	The Prudential Insurance Company of America
Product Name:	Group Long Term Care Insurance
State:	Virginia
TOI:	LTC03G Group Long Term Care
Sub-TOI:	LTC03G.001 Qualified
Filing Type:	Rate
Date Submitted:	07/01/2019
SERFF Tr Num:	PRUD-131998699
SERFF Status:	Closed-Approved
State Tr Num:	PRUD-131998699
State Status:	Approved
Co Tr Num:	IIGHGLTC4RATE-RP-VA
Effective	On Approval
Date Requested:	
Author(s):	Raenonna Prince, Karen Keller, Arun Paul, Meong Kwak, Adjani Delgado, Aishwarya Grover
Reviewer(s):	Bobby Toone (primary)
Disposition Date:	03/29/2022
Disposition Status:	Approved
Effective Date:	

**State:** Virginia **Filing Company:** The Prudential Insurance Company of America  
**TOI/Sub-TOI:** LTC03G Group Long Term Care/LTC03G.001 Qualified  
**Product Name:** Group Long Term Care Insurance  
**Project Name/Number:** GLTC-4 Re-Rate/7G-2018

## General Information

Project Name: GLTC-4 Re-Rate Status of Filing in Domicile: Pending  
Project Number: 7G-2018 Date Approved in Domicile:  
Requested Filing Mode: Review & Approval Domicile Status Comments: Filed Concurrently.  
Explanation for Combination/Other: Market Type: Group  
Submission Type: New Submission Group Market Size: Small  
Group Market Type: Employer, Association Overall Rate Impact: 106%  
Filing Status Changed: 03/29/2022  
State Status Changed: 03/29/2022 Deemer Date: 09/11/2021  
Created By: Raenonna Prince Submitted By: Raenonna Prince  
Corresponding Filing Tracking Number:  
State TOI: LTC03G Group Long Term Care State Sub-TOI: LTC03G.001 Qualified

### Filing Description:

Please refer to the Cover Letter Attached to the Supporting Documentation Tab of this filing.

## Company and Contact

### Filing Contact Information

John Timmerberg, Vice President and john.timmerberg@prudential.com  
Actuary  
751 Broad Street 973-802-6596 [Phone]  
11th Floor, Plaza  
Newark, NJ 07102

### Filing Company Information

The Prudential Insurance CoCode: 68241 State of Domicile: New Jersey  
Company of America Group Code: 304 Company Type: Life  
751 Broad Street Group Name: State ID Number:  
Newark, NJ 07102-3777 FEIN Number: 22-1211670  
(973) 802-6000 ext. [Phone]

**State:** Virginia **Filing Company:** The Prudential Insurance Company of America  
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## Filing Fees

## State Fees

Fee Required?	No
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Retaliatory? No

Fee Explanation:

<b>State:</b>	Virginia	<b>Filing Company:</b>	The Prudential Insurance Company of America
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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved	Bobby Toone	03/29/2022	03/29/2022

### Objection Letters and Response Letters

#### Objection Letters

Status	Created By	Created On	Date Submitted
Info has been requested from company	Bobby Toone	07/13/2021	07/13/2021
Info has been requested from company	Bobby Toone	03/30/2021	03/30/2021
Info has been requested from company	Bobby Toone	11/30/2020	11/30/2020
Info has been requested from company	Bobby Toone	10/15/2020	10/15/2020
Info has been requested from company	Bobby Toone	05/19/2020	05/19/2020
Info has been requested from company	Bobby Toone	04/13/2020	04/13/2020
Info has been requested from company	Bobby Toone	02/03/2020	02/03/2020
Info has been requested from company	Bobby Toone	11/15/2019	11/15/2019

#### Response Letters

Responded By	Created On	Date Submitted
Raenonna Prince	08/12/2021	08/12/2021
Aishwarya Grover	04/28/2021	04/28/2021
Meong Kwak	01/29/2021	01/29/2021
Raenonna Prince	11/05/2020	11/05/2020
Raenonna Prince	06/18/2020	06/18/2020
Raenonna Prince	05/07/2020	05/07/2020
Raenonna Prince	02/04/2020	02/04/2020
Raenonna Prince	12/05/2019	12/05/2019

### Amendments

Schedule	Schedule Item Name	Created By	Created On	Date Submitted
Supporting Document	Model Formulas	Raenonna Prince	06/18/2020	06/18/2020

<b>State:</b>	Virginia	<b>Filing Company:</b>	The Prudential Insurance Company of America
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<b>Project Name/Number:</b>	GLTC-4 Re-Rate/7G-2018		

## Amendments

Schedule	Schedule Item Name	Created By	Created On	Date Submitted
Supporting Document	VA - Certificateholder Advanced Notification Letter Package	Raenonna Prince	02/04/2020	02/04/2020
Supporting Document	L&H Actuarial Memorandum	Raenonna Prince	02/04/2020	02/04/2020

## Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Actuarial Opinion and Final Report	Reviewer Note	Bobby Toone	02/17/2021	
RRS	Reviewer Note	Bobby Toone	04/13/2020	

<b>State:</b>	Virginia	<b>Filing Company:</b>	The Prudential Insurance Company of America
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## Disposition

Disposition Date: 03/29/2022

Effective Date:

Status: Approved

Comment: In approving this filing, the Company is reminded that pursuant to 14VAC5-200-153 D, it is required to provide updated experience reports for the next 3 years comparing the actual results to the results that the company projected in justifying the rate increase. We would expect the first of the three experience report filings to be made no later than 15-18 months after implementation, capturing a full 12 months of experience following the rate implementation, and including updated data through the most recent year end.

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
The Prudential Insurance Company of America	10.000%	10.000%	\$350,726	2,358	\$3,507,257	10.000%	10.000%

Schedule	Schedule Item	Schedule Item Status	Public Access
Rate (revised)	Appendix D - 83500 COV 5026 - Base Policy Rate Pages -	Approved	Yes
Rate	Appendix D - Automatic Compound Inflation Rate Pages	Approved	Yes
Rate	Appendix D - Automatic Compound Inflation w/ Cap Rate Pages	Approved	Yes
Rate	Appendix D - Automatic Simple Inflation Rate Pages	Approved	Yes
Rate	Appendix D - GPO Rate Pages	Approved	Yes
Rate	Appendix D - Rate Pages - (VA GLTC4)	Withdrawn	No
Supporting Document	Certification of Compliance	Received & Acknowledged	Yes
Supporting Document	Product Checklist	Received & Acknowledged	Yes
Supporting Document (revised)	L&H Actuarial Memorandum	Received & Acknowledged	Yes
Supporting Document (revised)	Long Term Care Insurance Rate Request Summary	Received & Acknowledged	Yes
Supporting Document	Filing Cover Letter	Received & Acknowledged	Yes
Supporting Document	Appendix C - Description of Experience Analysis and Assumption Setting	Received & Acknowledged	Yes
Supporting Document	Appendix C - Exhibit 1 - Mortality Details - GLTC	Received & Acknowledged	Yes
Supporting Document	Appendix C - Exhibit 2 - Lapse Details	Received & Acknowledged	Yes

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Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Appendix C - Exhibit 3 - Morbidity Details - GLTC	Received & Acknowledged	Yes
Supporting Document (revised)	VA - Certificateholder Advanced Notification Letter Package	Received & Acknowledged	Yes
Supporting Document	Letter of Response - 12-4-2019	Received & Acknowledged	Yes
Supporting Document	Letter of Response - 5-7-2020	Received & Acknowledged	Yes
Supporting Document	Letter of Response - 6-18-2020	Received & Acknowledged	Yes
Supporting Document	2018 GLTC Morbidity & Persistency Assumptions	Received & Acknowledged	Yes
Supporting Document	GLTC4 Original A to E Exhibit	Received & Acknowledged	Yes
Supporting Document	GLTC4 Rate Increase History	Received & Acknowledged	Yes
Supporting Document	VA GLTC4 Projections - with Formulas	Received & Acknowledged	Yes
Supporting Document	Model Formulas	Received & Acknowledged	Yes
Supporting Document	Letter of Response - 11-5-2020	Received & Acknowledged	Yes
Supporting Document	VA GLTC4 If Knew Blended Approach	Received & Acknowledged	Yes
Supporting Document	VA GLTC4 PPV Approach	Received & Acknowledged	Yes
Supporting Document	VA GLTC4 Projections	Received & Acknowledged	Yes
Supporting Document	2020-11-30 Objection Response Package	Received & Acknowledged	Yes
Supporting Document	Letter of Response - 03-30-2021	Received & Acknowledged	Yes
Supporting Document	L&H Actuarial Memorandum	Withdrawn	No
Supporting Document	L&H Actuarial Memorandum	Withdrawn	No
Supporting Document	Long Term Care Insurance Rate Request Summary	Withdrawn	No
Supporting Document	VA - Certificateholder Advanced Notification Letter Package	Withdrawn	No
Supporting Document	VA - Certificateholder Advanced Notification Letter Package	Withdrawn	No

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## Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	07/13/2021
Submitted Date	07/13/2021
Respond By Date	08/12/2021

Dear John Timmerberg,

### **Introduction:**

*The Bureau has the following concerns and/or needs additional information to continue its review.*

*Please note, any revisions, modifications, or changes of any type to this filing must be clearly identified and explained in detail. For clarity, multiple changes should be summarized in a cover letter, etc.*

### **Objection 1**

*- VA - Certificateholder Advanced Notification Letter Package (Supporting Document)*

*Comments: As these documents have previously been approved, the Manual of Variable language is not required. Also, please replace the other documents with "John Doe" versions, completed in the same manner that will be sent to a policyholder, with no variability or annotations.*

### **Conclusion:**

*We shall be glad to continue our review of this submission upon receipt of the requested information or resolution of the issues described above. Upon subsequent review, other concerns may require attention.*

*A response to this request for information is expected within 30 days. After 30 days, the filing will be DISAPPROVED and CLOSED unless an extension is requested. An initial extension of up to 30-days will be granted upon request made before the Respond By Date.*

*Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed. Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.*

*Please let me know if you need additional clarification.*

*Thank you for your courtesy and consideration in this matter.*

*Sincerely,*

*Bobby Toone*



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## Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	03/30/2021
Submitted Date	03/30/2021
Respond By Date	04/29/2021

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Dear John Timmerberg,

### **Introduction:**

*The Bureau has the following concerns and/or needs additional information to continue its review.*

*Please note, any revisions, modifications, or changes of any type to this filing must be clearly identified and explained in detail. For clarity, multiple changes should be summarized in a cover letter, etc.*

### **Objection 1**

*Comments: Virginia Regulation 14VAC5-200-125 requires that every insurer with long-term care policies in Virginia shall report their premium rates and experience to the commission every year. We could find no record of any Long-Term Care Annual Rate Reports submitted for these policy forms. If they have been submitted, please provide the SERFF tracking numbers. Otherwise please explain why none have been submitted for these forms.*

### **Conclusion:**

*We shall be glad to continue our review of this submission upon receipt of the requested information or resolution of the issues described above. Upon subsequent review, other concerns may require attention.*

*A response to this request for information is expected within 30 days. After 30 days, the filing will be DISAPPROVED and CLOSED unless an extension is requested. An initial extension of up to 30-days will be granted upon request made before the Respond By Date.*

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*Please let me know if you need additional clarification.*

*Thank you for your courtesy and consideration in this matter.*

Sincerely,  
Bobby Toone

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## Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	11/30/2020
Submitted Date	11/30/2020
Respond By Date	12/30/2020

Dear John Timmerberg,

### **Introduction:**

The Bureau has the following concerns and/or needs additional information to continue its review.

Please note, any revisions, modifications, or changes of any type to this filing not specifically requested by us must be brought to our attention upon resubmission and explained in detail.

### **Objection 1**

- VA GLTC4 Projections (Supporting Document)

Comments: Projection 2e is not as requested. This should be a projection of what would have happened if all original assumptions had played out exactly as assumed for the cohort of policies actually issued. Therefore, even the historical period (2009 2018) should not be based on actual experience but on original assumed morbidity, mortality and lapse.

### **Objection 2**

- L&H Actuarial Memorandum (Supporting Document)

Comments: The Bureau interprets the statutes to require the future loss ratio, calculated as (PV Future Claims minus Active Life Reserve) divided by PV Future Premiums, to be greater than the minimum loss ratio. The ALR that was provided by the Company (\$604M) could result in no increase being approved. Please ensure that the active life reserve is for only those policies that are included in the projection. Note that using a strengthened reserve basis will result in a lower allowable increase, therefore the Bureau will accept a pro-forma reserve using original pricing assumptions rather than the actual strengthened reserves being held.

### **Conclusion:**

We will be glad to continue our review of this submission upon receipt of the requested information or resolution of the issues described above. Upon subsequent review, other concerns may require attention.

A response to this objection (or request for information if more applicable) is expected within 30 days. After 30 days, the filing will be DISAPPROVED unless a 30-day extension is requested.

Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed.

Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.

Thank you for your courtesy and consideration in this matter.

Sincerely,  
Bobby Toone

**State:** Virginia **Filing Company:** The Prudential Insurance Company of America  
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## Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	10/15/2020
Submitted Date	10/15/2020
Respond By Date	11/14/2020

Dear John Timmerberg,

### Introduction:

The Bureau has the following concerns and/or needs additional information to continue its review.

Please note, any revisions, modifications, or changes of any type to this filing not specifically requested by us must be brought to our attention upon resubmission and explained in detail.

### Objection 1

- L&H Actuarial Memorandum (Supporting Document)

Comments: 1. For all projections requested in the next question, the baseline should comply with the following:

- a. Any limited-pay policies that are now in paid-up status should be removed, both from historical experience and future projections.
- b. For this post-stability block, the Company may choose to use margins for moderately adverse conditions.
- c. Nationwide premiums should be calculated as if all policies were issued in Virginia for both historical and projected future premiums.
- d. All discounting should be at the average valuation rate.

2. To assist the Bureau in its review, please provide (in Excel format) the following projections on a nationwide basis:

- a. current assumptions and current rates
- b. current assumptions with the proposed rate increase
- c. current assumptions with the proposed rate increase, but with no shock lapses, benefit reductions, CBUL, or adverse selection (if applicable)
- d. current assumptions with premiums restated as if the proposed rate schedule had been in effect from inception
- e. original assumptions and original premiums from inception

Projections a-e can be separate tabs or combined into separate columns on the same exhibit.

### Objection 2

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide the active life reserve as of the projection date. Note that since the Company has strengthened reserves, the Bureau will accept a pro-forma reserve using original pricing assumptions rather than the actual reserves being held.

### Objection 3

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide all projections and data elements required to calculate the increase allowed under the Prospective PV Approach and the Blended If-Knew/Make-up Approach (see attached description).

### Objection 4

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide a discussion of the credibility of the company's own experience data, including the total number of claims in the company's historical experience.

### Conclusion:

We will be glad to continue our review of this submission upon receipt of the requested information or resolution of the issues

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*described above. Upon subsequent review, other concerns may require attention.*

*A response to this objection (or request for information if more applicable) is expected within 30 days. After 30 days, the filing will be DISAPPROVED unless a 30-day extension is requested.*

*Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed.*

*Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.*

*Thank you for your courtesy and consideration in this matter.*

*Sincerely,  
Bobby Toone*

# **Long-term Care Insurance**

## **Approaches to Reviewing Premium Rate Increases**

NAIC LTC Pricing Subgroup  
October 2018

### **Executive Summary**

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Several years ago, the NAIC Long-term Care Pricing Subgroup proposed changes to the NAIC Long-term Care (LTC) Model Regulation (Model 641) aimed at strengthening the pricing of LTC insurance. These proposed changes were adopted by the NAIC in August of 2014. These changes apply to LTC insurance policies issued on or after the date that the state where the policy is issued adopts the changes.

Despite these changes, along with changes made to the pricing methodology of LTC insurance in 2002, carriers find themselves in situations where they must increase premium rates in order to cover future expected claims. Most of these increases are implemented on blocks that are no longer open to new business. Regulators often treat the review and approval of these rate increases differently.

Over the past year, the LTC Pricing Subgroup studied and discussed approaches used by various states to review LTC rate increases. These approaches were discussed on public calls consisting of regulators, industry representatives, and consumer advocates. Through that process, this document was developed to serve as a resource that states can use in their review of LTC rate increases. The goal is to create a more predictable and transparent process for reviewing LTC rate increase filings.

### **Scope**

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This document describes two methodologies for computing rate increases for LTC insurance policies. Regulators should consider applicable laws in their state when applying these methods to a particular block of policies.

### **Background**

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Prior to 2002, LTC insurance was priced using a fixed lifetime loss ratio methodology. This methodology was meant to ensure that premium rates were not too high. However, as experience evolved, the premiums set using this methodology proved to be inadequate, leading to large rate increases. In addition, this approach allowed for the portion of the premium available for expenses and profit to increase when actual claims were higher than what was expected when the product was initially priced.

In 2002, a new method of pricing LTC insurance was adopted by the NAIC. This new method, known as the rate stabilization methodology, moved away from fixed loss ratios applied to initial premiums and moved to a rating methodology designed to increase the probability

that premiums will remain unchanged for the life of the contract, even under moderately adverse experience.

Even under the revised methodology, policyholders continue to experience large rate increases. In response, the NAIC Long-term Care Pricing Subgroup proposed changes to the NAIC Long-term Care Model Regulation (Model 641) aimed at strengthening the pricing of LTC insurance. These proposed changes were adopted by the NAIC in August of 2014. These changes apply to LTC insurance policies issued after the date that the state where the policy is issued adopts the revised regulation. The new model does not address rate increases consumers are experiencing on existing business.

The LTC Pricing Subgroup turned its focus to the review of these rate increases with the goal of developing a framework to achieve greater transparency and predictability in the review and approval of requests for LTC insurance rate increases.

## Approaches

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As a starting point, the subgroup surveyed states on various practices surrounding their review of LTC insurance rate increases. One of the first steps in the process was to develop consistency when using certain terms, including the term “recoupment of past losses”, when used in our discussions. For purposes of this document, the subgroup developed a consistent understanding of different categories of past losses.

The following charts illustrate the streams of potential losses or deficiencies stemming from two general sources – those stemming from past and future premiums being insufficient, and those stemming from past and future incurred claims being worse than expected.

At the time of a rate increase, sources of potential past premium deficiencies come from premiums that were paid by policyholders who:

- are active
- are in paid-up status (i.e., they are not on claim, but are no longer paying premium under the terms of the policy but may have future claims)
- have lapsed coverage, (i.e., they are not paying premium, are not on claim, and cannot have future claims)
- are disabled (i.e., on claim)

At the time of a rate increase, sources of future premiums come from the following two groups:

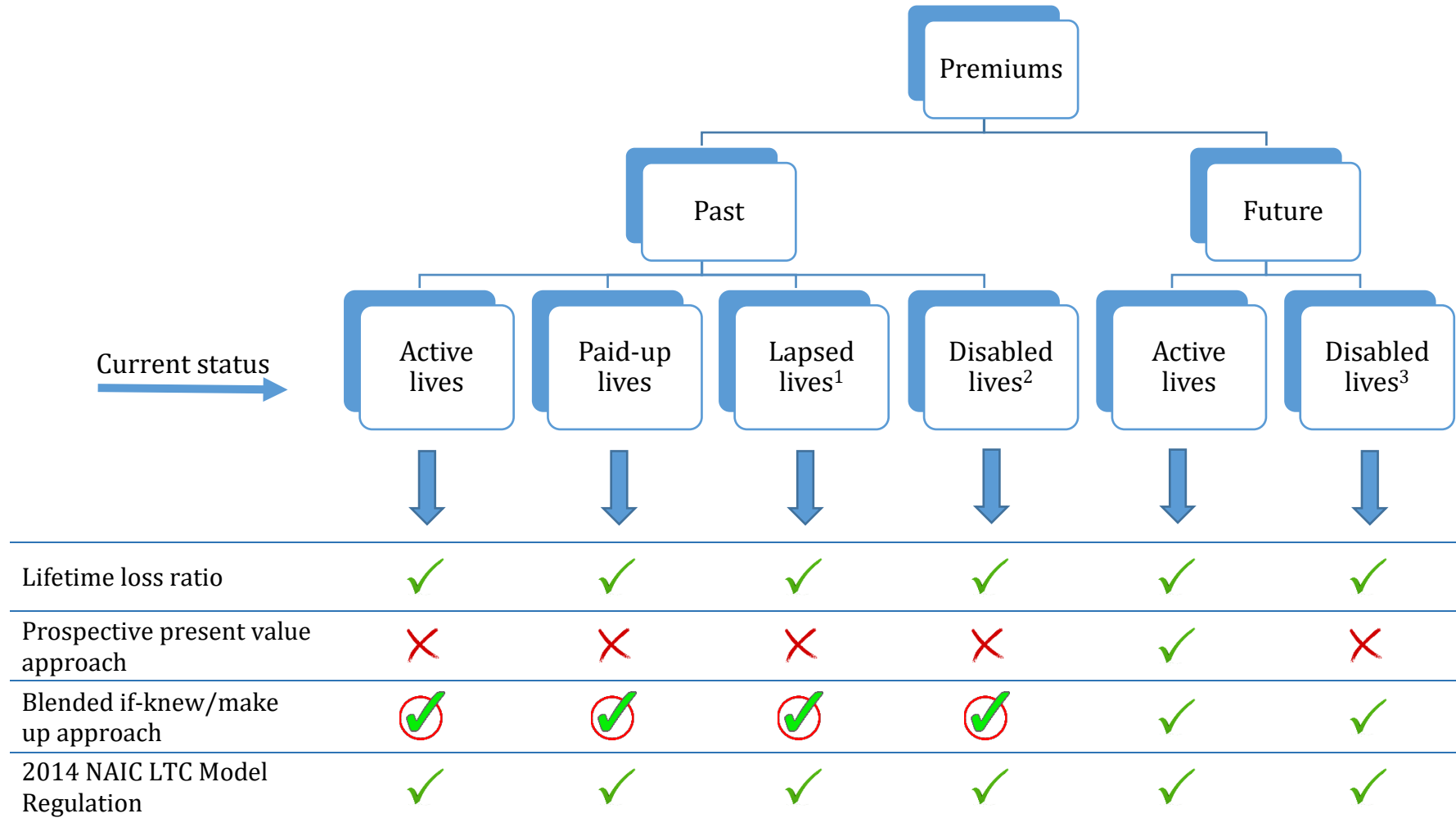
- policyholders who remain active and continue paying premiums
- policyholders who are currently on claim but recover and begin paying premiums again

At the time of a rate increase, sources of future incurred claims are:

- active premium paying policyholders who go on claim in the future

- disabled policyholders who are currently on claim, recover, and go on claim again in the future
- paid-up policyholders – this source of future claims is recognized in lifetime loss ratio calculations but not in projections of future claims for rate increases

# Premium Shortfall Categories at the Time of a Rate Increase Request



<sup>1</sup> Includes voluntary lapses and those who died prior to generating a claim

<sup>2</sup> Includes those who died while on claim and those who exhausted their benefits

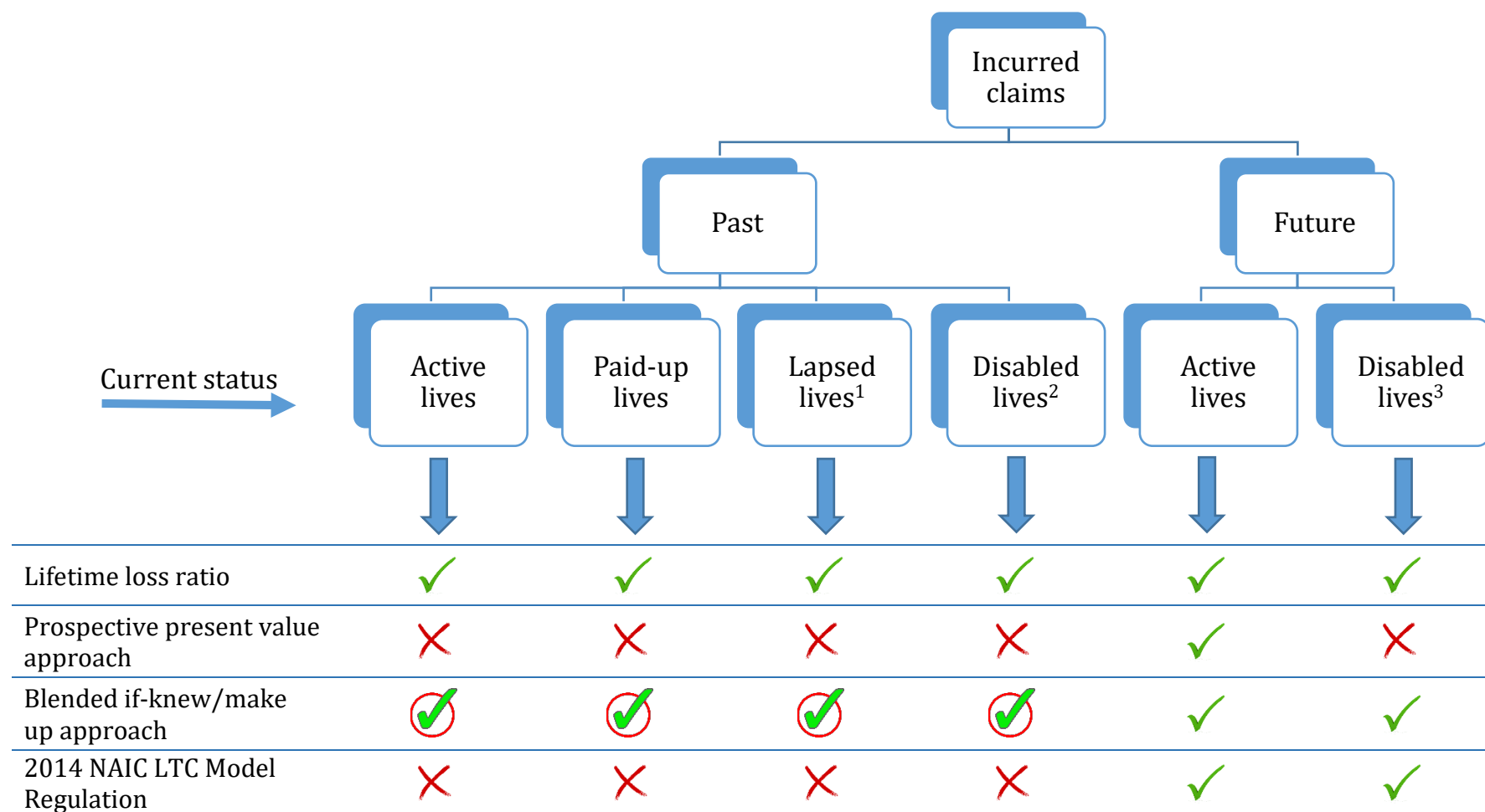
<sup>3</sup> Current disabled lives who might recover in the future and resume paying premiums

✗ indicates that the category is not reflected in the methodology, and any deficiency needs to be funded from a source other than a rate increase.

However, the deficiency could be mitigated by catch-up and transitional adjustments to the prospective PV approach. ⊗ indicates a partial recoupment since the method blends if-knew, which does not allow for any recoupment, and make up, which allows for full recoupment.



# Categories of Adverse Claims Experience at the Time of a Rate Increase Request



<sup>1</sup> Includes voluntary lapses and those who died prior to generating a claim

<sup>2</sup> Includes those who died while on claim and those who exhausted their benefits

<sup>3</sup> Current disabled lives who might recover in the future and resume paying premiums

✗ indicates that the category is not reflected in the methodology, and any deficiency needs to be funded from a source other than a rate increase.

However, the deficiency could be mitigated by catch-up and transitional adjustments to the prospective PV approach. ⊗ indicates a partial recoupment since the method blends if-knew, which does not allow for any recoupment, and make up, which allows for full recoupment.

As a second step in the process, the pricing subgroup identified several general methodologies that were consistently used across states. These are:

- The lifetime loss ratio approach, which allows for full recoupment of past losses and often results in the largest rate increase
- Unique state approaches, which are designed to limit the recoupment of past losses
- The amended model regulation, which, like the state approaches, limits the recoupment of past losses

The two state approaches discussed in the pricing subgroup are described below.

### **Prospective PV approach**

This approach avoids a recoupment of past losses by considering only future projections. The following formula is used to compute an allowable rate increase for a block of LTC insurance policies:

$$\text{rate increase \%} = \frac{\Delta PV(\text{future incurred claims}) - \left( \frac{.58 + .85C}{1 + C} \right) \Delta PV(\text{future earned premiums})}{.85 PV_{\text{current}}(\text{future earned premiums})}$$

where:

- $\Delta$  indicates the change in present value (PV) due to the change in actuarial assumptions between the time of the last rate increase (or the original assumptions if there was no prior rate increase) and the current assumptions
- $C$  is the cumulative percent rate increase to date. For example, if the current rate, prior to the proposed rate increase, is 50 percent higher than the rate at initial pricing, then  $C = .5$

The *current* subscript in the denominator indicates that the PV should be computed using current assumptions. The future earned premiums in the formula are based on the current premiums prior to the proposed rate increase. Regulators may wish to consider the addition of margin to the rate increase. For example, the  $\Delta PV(\text{future incurred claims})$  term in the above formula could be multiplied by 1.1 to represent a 10 percent margin.

The formula is limited to **active, premium-paying policyholders** as of the time of the filing. All present value calculations in the formula should be based on the same set of current active lives.

For pre-rate stabilized policies, one could use .6 in place of .58 and .8 in place of .85:

$$\text{rate increase \%} = \frac{\Delta PV(\text{future incurred claims}) - \left( \frac{.6 + .8C}{1 + C} \right) \Delta PV(\text{future earned premiums})}{.8 PV_{\text{current}}(\text{future earned premiums})}$$

### Justification for the formula

The numerator represents the amount of additional funding needed, on a prospective basis, as a result of the change in actuarial assumptions. This amount reflects the increase in the PV of incurred claims, and is partly offset by the increase in the PV of future net premiums, where net premiums are computed by multiplying gross premiums by the loss ratio.

To compute the loss ratio, if  $P_0$  is the premium at initial pricing and  $P$  is the current premium prior to the proposed rate increase, then:

$$P = P_0(1 + C)$$

so

$$P_0 = \frac{P}{1 + C}$$

The portion of current premium due to prior increases is:

$$P - P_0 = P - \frac{P}{1 + C} = \frac{PC}{1 + C}$$

Applying a 58 percent loss ratio to the initial premium and an 85 percent loss ratio to the increase portion, the loss ratio is:

$$\frac{.58 \frac{P}{1 + C} + .85 \frac{PC}{1 + C}}{P} = \frac{.58 + .85 C}{1 + C}$$

Since a loss ratio of 85 percent applies to the rate increase, which provides the additional funding needed, then:

$$.85 \Delta PV_{\text{current}}(\text{future earned premiums}) = \Delta PV(\text{future incurred claims}) - \left( \frac{.58 + .85 C}{1 + C} \right) \Delta PV(\text{future earned premiums})$$

The percentage rate increase, computed as  $\Delta PV / PV$  of future earned premiums, is found by dividing both sides of the above equation by  $.85 PV_{\text{current}}(\text{future earned premiums})$ :

$$\text{rate increase \%} = \frac{\Delta PV(\text{future incurred claims}) - \left( \frac{.58 + .85 C}{1 + C} \right) \Delta PV(\text{future earned premiums})}{.85 PV_{\text{current}}(\text{future earned premiums})}$$

### **Possible Modifications to Prospective PV approach**

The prospective PV formula is intended to produce a rate increase that is adequate to fund the projected increase in future claim liabilities. However, a regulator should consider modifications to the formula based on the following:

- Disapproval of a prior actuarially justified rate increase.
- A prior actuarially justified rate increase reduced by the regulator.
- Approval of a prior actuarially justified rate increase after significant delay, offset by any company delay in filing for an actuarially justified rate increase.

Note that the use of any prior “actuarially justified” rate increase requires justification and support, which may vary by company and by state. The use and amount of any prior actuarially justified rate increase must be agreed to by both the regulator and the company.

Examples of the modifications that could be made to the prospective PV formula are described below:

### **Catch-up Provision (For rate increase requests denied or delayed)**

If part of a past rate increase request has been denied, or if there was a material delay in the prior approval, for the new rate to be consistent with the underlying methodology of the Base Formula, a company must be granted an additional rate increase amount, called the catch-up provision. The catch-up provision is designed to reflect in a new rate increase the necessary additional premiums based on the assumptions provided to the department at the time of the previous rate increase request that were not approved with the prior filing(s). It will not take into account any deviation in actual experience from assumed experience during that time period.

$$\begin{aligned} \text{Catch-up rate increase \%} = & \frac{\text{AV}(\text{premiums requested}^P) - \text{AV}(\text{premiums approved}^P)}{\text{PV}_{\text{current}}(\text{future earned premiums})} \\ & + \frac{\text{PV}(\text{premiums requested}^F) - \text{PV}(\text{premiums approved}^F)}{\text{PV}_{\text{current}}(\text{future earned premiums})} \end{aligned}$$

Where:

AV is the Accumulated Value at the time of the new rate increase request using the actuarial assumptions made at the time of the previous rate increase request(s).

PV is the Present Value at the time of the new rate increase request using the actuarial assumptions made at the time of the previous rate increase request(s).

Premiums Requested<sup>P</sup> is the total past premiums that would have been collected had the entire rate increase request been granted in a timely manner based on the actuarial assumptions made at the time of the previous rate increase request(s)

Premiums Requested<sup>F</sup> is the total future premiums that would have been collected had the entire rate increase request been granted in a timely manner based on the actuarial assumptions made at the time of the previous rate increase request(s)

Premiums Approved<sup>P</sup> is the total past premiums that were collected based on the rate increase approved at the time of the previous rate increase request(s)

Premiums Approved<sup>F</sup> is the total future premiums that would have been collected based on the rate increase approved at the time of the previous rate increase request(s)

For pre-rate stabilized policies, use .8 in place of .85.

**Transition Provision (For Pre-Rate Stability products and other products where the last rate increase requests was voluntarily reduced by the company)**

If the prior rate increase request was not subject to the Rate Stability actuarial certification or a past rate increase request has been voluntarily reduced from the amount per such certification, a transition period needs to be established for companies to make a single filing to provide the full amount of premium necessary to meet the actuarial certification (consistent with the Model Bulletin calculation requirements). This transition filing would establish the assumptions to be used as the “prior assumptions” for future Base Formula requests and the maximum “Prior Premium” scale for these policies based on those prior assumptions. For any new filing of a rate increase to the Prior Rate scale to be consistent with the underlying methodology of the Base Formula, a company must be granted increases from the current approved premium scale up to but not above the maximum Prior Premium scale as part of the Transition amount. In this instance, the company will not be allowed to recapture past premiums that would have been collected if the rate increase request had not been voluntarily reduced. To the extent that a company requests a Transitional increase and a state denies or reduces the amount, the amount denied would be allowed in future rate increase requests under the Catch-Up Provision.

$$\text{Transition rate increase \%} = \frac{\text{PV}(\text{premiums justified}) - \text{PV}(\text{premiums requested})}{\text{PV}_{\text{current}}(\text{future earned premiums})}$$

Where:

PV is the Present Value using the actuarial assumptions made at the time of the previous rate increase request(s).

Premiums Justified is the total future premiums that would have been collected had the previous rate increase request been based upon the entire amount calculated in the Base Formula and Catch-up Provisions at the time of the previous rate increase request(s)

Premiums Requested is the total future premiums that would have been collected based on the entire rate increase requested at the time of the previous rate increase request(s)

For pre-rate stabilized policies, use .8 in place of .85.

### **Calculation of Entire Rate Increase**

Total Rate Increase = Base Formula Increase % + Catch-up Increase % + Transition Increase %

### **Blended If-Knew/Make-up Approach**

This approach begins with the computation of if-knew and makeup rate increases, as described in the definitions below. Next, a blended average is computed between the if-knew and make-up increases, where the makeup component is weighted based on the percentage of original policyholders remaining in active, premium-paying status. Finally, a cost-sharing function is applied to determine the portion of the rate increase that is paid by policyholders, while the remainder is a cost borne by the company.

This approach requires the use of all components outlined in this section. It is not appropriate to use only one part of this approach to determine a rate increase.

Key definitions include:

- If-knew increase – increase to the premium rates such that the resulting rates, if in effect from inception of the form, would produce the greater of the initial target lifetime loss ratio or minimum loss ratio applicable to the form
- Make-up increase – increase to the premium rates such that the resulting rates, if in effect in future years, would produce the greater of the initial target lifetime loss ratio or minimum loss ratio applicable to the form
- Blended increase – weighted average of if-knew increase and makeup increase, with the makeup component weighted based on the percentage of the original policyholders remaining in active, premium-paying status
- Cost-sharing increase – blended increase reduced by the cost-sharing formula described below
- Maximum allowable rate increase – an increase that, in addition to any prior rate increase, results in a cumulative rate increase equal to the cost-sharing increase

## Cost sharing

This approach requires a state to establish a cost-sharing formula to be applied the rate increase determined under this approach. The table below is an example of a formula where the rate increase is sliced into layers. The policyholder's share of the rate increase decreases with each layer.

Blended increase	Policyholder share of the increase
0-15%	100%
15-50%	90%
50-100%	75%
100-150%	65%
>150%	50%

For example, a blended increase of 70 percent would be sliced into three layers, consisting of 15 percent in the 0-15% layer, 35 percent in the 15-50% layer, and the remaining 20 percent in the 50-100% layer. The policyholder's share of a 70 percent blended increase would be  $100\% \times 15\% + 90\% \times 35\% + 75\% \times 20\% = 15\% + 31.5\% + 15\% = 61.5\%$ .

The example below illustrates the application of this method. It assumes that the minimum loss ratio applicable to the policy is 60 percent and that at the time of the rate increase filing, 40 percent of the original policyholders remain and are paying premium.

	Without current increase			Premium at if knew level			Premium at make up level			With allowable rate increase		
Experience	Earned Premium		Incurred	Earned	Incurred	Loss	Earned	Incurred	Loss	Earned	Incurred	Loss
Period	Original	Actual	Claims	Premiums	Claims	Ratio	Premiums	Claims	Ratio	Premiums	Claims	Ratio
Past	100	110	50	208	50	24%	110	50	45%	110	50	45%
Future	60	78	150	125	150	120%	223	150	67%	137	150	109%
Lifetime	160	188	200	333	200	60%	333	200	60%	247	200	81%
Loss ratio at the original premium level				125%								
Minimum loss ratio applicable to the form				60%		Layer	PH share					
If-knew increase				108%		15%	100%					
Make-up increase				272%		35%	90%					
Remaining policyholders percentage				40%		50%	75%					
Blended increase				174%		50%	65%					
Cost-sharing increase				128%		24%	50%					
Past rate increase				30%		174%						
Maximum allowable rate increase				76%								

There are many possible refinements of the basic approach described above, such as:

- reducing the allowable increase if the original premiums were unreasonably low (i.e. lower than a benchmark premium calculated using assumptions that are deemed appropriate for the period in which the policy was priced and issued)
- basing the if-knew and make-up increases on a measure of profitability rather than on a target or minimum loss ratio standard

- calculating present values using actual and expected investment returns rather than statutory valuation rates
- specifying how margins for adverse experience and waiver of premium benefits should be treated in the loss ratio calculation
- specifying the level of granularity of the rate increase calculation (i.e. whether the rate increase should vary by benefit features, underwriting criteria, etc.)

### **NAIC Model Regulation**

Section 20.1(C)(2) of the Model Regulation describes a 58/85 loss ratio standard, which recognizes the lesser of actual or expected past claims. The allowable rate increase computed according to the Model Regulation's loss ratio standard applicable on the issue date of the policy, serves as a ceiling when using either of the above approaches.

## **Comparison of Approaches**

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Below are summaries of the results produced under each method for three actual rate filings received from three different carriers.

For each carrier, the earned premiums and incurred claims were multiplied by a random number to mask the carrier's actual data. Note that all yearly figures are discounted with interest:

### **Carrier #1**

<b>Summary of rate filing</b>	
Type	Pre Rate Stabilized (Individual)
Rate increase history	40% in 2010; 25% in 2015
Cumulative rate prior increase	$1.40 \times 1.25 - 1 = 75\%$

<b>Accumulated and present values at 4.5% interest rate</b>				
	Prior assumptions		Current assumptions	
	Earned premiums	Incurred claims	Earned premiums	Incurred claims
Past	29,881,320	30,254,745	29,312,302	30,254,745
Future	6,396,557	64,064,583	8,276,125	81,078,884
Lifetime	36,277,877	94,319,328	37,588,427	111,333,629

<b>Summary of calculations</b>	
Estimated % of active policyholders remaining	50%
Lifetime LR	296%
Maximum rate increase under 60/80 lifetime LR standard	1321%
Blended if-knew & makeup components:	
Makeup increase	3268%
"If knew" rate increase	498%
Blended with 50% active policyholders remaining:	1883%
With cost sharing	983%



<b>Blended if-knew &amp; makeup rate increase*</b> (after backing out prior 69.6% cumulative rate increase)	<b>519%</b>
<b>Prospective PV allowable rate increase</b>	<b>238%</b>
* Rate increase assumes: (1) benchmark premium = original premium; and (2) 50% actives remaining.	

## Carrier #2

Summary of rate filing	
Type	Rate stabilized (individual)
Rate increase history	None
Cumulative prior rate increase	0%

Accumulated and present values at 4% interest rate				
	Prior assumptions		Current assumptions	
	Earned premiums	Incurred claims	Earned premiums	Incurred claims
Past	2,605,954	41,528	2,605,954	41,528
Future	4,537,414	3,795,819	4,382,489	5,514,785
Lifetime	7,143,367	3,837,347	6,988,442	5,556,313

Summary of calculations	
Estimated % of active policyholders remaining	71%
Lifetime LR	80%
Maximum rate increase under 58/85 lifetime LR standard	40%
Blended if-knew & makeup components:	
Makeup increase	59%
"If knew" rate increase	37%
Blended with 71% active policyholders remaining:	53%
With cost sharing	49%
<b>Blended if-knew &amp; makeup allowable rate increase<sup>1,2</sup></b>	<b>49%</b>
<b>Prospective PV allowable rate increase<sup>2</sup></b>	<b>49%</b>
<sup>1</sup> Rate increase assumes: (1) benchmark premium = original premium; and (2) 71% actives remaining.	
<sup>2</sup> The allowable rate increase would be limited to 40% based on the 58/85 lifetime loss ratio standard.	

## Carrier #3

Summary of rate filing	
Type	Rate stabilized (individual)
Rate increase history	None
Cumulative prior rate increase	0%

Accumulated and present values at 4.5% interest rate				
	Prior assumptions		Current assumptions	
	Earned premiums	Incurred claims*	Earned premiums	Incurred claims*
Past	1,272,279	221,055	1,272,279	221,055

Future	659,852	1,098,641	864,521	2,561,128
Lifetime	1,932,131	1,319,696	2,136,800	2,782,183

\* Projected incurred claims include a 10% moderately adverse experience load.

Summary of calculations	
Estimated % of active policyholders remaining	77%
Lifetime LR	130%
Maximum rate increase under 58/85 lifetime LR standard	210%
Blended if-knew & makeup components:	
Makeup increase	308%
"If knew" rate increase	124%
Blended with 77% active policyholders remaining:	266%
With cost sharing	174%
<b>Blended if-knew &amp; makeup allowable rate increase*</b>	<b>174%</b>
<b>Prospective PV allowable rate increase</b>	<b>183%</b>
* Rate increase assumes: (1) benchmark premium = original premium; and (2) 77% actives remaining.	

## Other Considerations

### Premium Rate Increase Caps

Some states, either by regulation or administrative practice, place caps on premium rate increases. In particular, New Hampshire adopted a rule that caps rate increases based on the insured's attained age. In general, caps implemented by states have no actuarial basis, but instead are arbitrarily administered.

Although it is understandable that states may favor arbitrary caps in the interest of protecting policyholders from large rate increases, one concern is a potential solvency risk if actuarially justified rate increases are postponed along with the potential for substantial reductions in benefits due to state-specific guaranty fund limits. In addition, the need for future rate increases will be greater based on the degree to which requested rate increases are capped. Many states have worked with companies to successfully address large rate increases through the use of a pre-approved series of incremental increases, allowing rates to reach the appropriate level while fully informing the policyholders of the timing and amount of the full series of increases.

### Delays in Filing and Delays in Approval of Rate Increases

Similar to arbitrary rate caps, delays in implementing actuarially justified rate increases due to either a carrier failing to file a needed rate increase, or delays in the regulatory approval of a needed rate increase, can pose a potential solvency risk. Several LTC insurance carriers have commented that delays in the implementation of needed rate increases lead to significantly higher rate increases later. For example, one carrier with a large block of LTC business estimated that each one-year delay of a needed rate increase adds a 5 to 10 percentage point increase to the needed rate increase.

### **Lifetime Loss Ratio Issue**

Some regulators believe it is inappropriate to approve a rate increase that would lead to a lower projected lifetime loss ratio than in the prior rate increase filing. Where the prior filing was consistent with actuarially certified adequate premiums this would generally be an appropriate expectation unless sufficient justification is provided for an exception. Where the prior rate filing was not consistent with actuarially certified adequate premiums (e.g. most pre-rate stability business or filings limited by rate caps) or the company noted in its filing that if experience did not improve that additional rate increase filings are likely, the projected loss ratio from such a prior filing is not an appropriate limit.

**State:** Virginia **Filing Company:** The Prudential Insurance Company of America  
**TOI/Sub-TOI:** LTC03G Group Long Term Care/LTC03G.001 Qualified  
**Product Name:** Group Long Term Care Insurance  
**Project Name/Number:** GLTC-4 Re-Rate/7G-2018

## Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	05/19/2020
Submitted Date	05/19/2020
Respond By Date	06/18/2020

Dear John Timmerberg,

### **Introduction:**

The Bureau has the following concerns and/or needs additional information to continue its review.

Please note, any revisions, modifications, or changes of any type to this filing not specifically requested by us must be brought to our attention upon resubmission and explained in detail.

### **Objection 1**

- L&H Actuarial Memorandum (Supporting Document)

Comments: Section 1 of the Actuarial Memorandum states the proposed increase will affect the Long-Term Care Forms and their associated riders. Please make sure any riders that are affected by this increase are listed in the Act.Memo. and in the Rate/Rule Schedule.

### **Objection 2**

- L&H Actuarial Memorandum (Supporting Document)

Comments: In compliance with 14VAC5-200-153 C 4, please verify that all present and accumulated values used to determine rate increases are using the maximum valuation interest rate for contract reserves as specified in § 38.2-1371 of the Code of Virginia. If not, please make the necessary revisions.

### **Objection 3**

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please advise if the actuarial assumptions associated with the rate increase request are consistent with the assumptions embedded in the most recent asset adequacy testing. If not, either make the appropriate revisions or explain any discrepancies.

### **Objection 4**

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide sufficient detail or documentation so that any projections can be recreated. Please provide a copy of all projections in Excel with working formulas. Re-state the nationwide experience using Virginia approved rates.

### **Objection 5**

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide an actual-to-expected analysis on the original assumptions and those included in the current filing.

### **Objection 6**

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide a step-by-step quantification of the impact of the change in each assumption from the original assumptions to the current assumptions.

### **Objection 7**

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please advise in which states the company has requested rate increases on this block and describe how the rate

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**State:** Virginia **Filing Company:** The Prudential Insurance Company of America  
**TOI/Sub-TOI:** LTC03G Group Long Term Care/LTC03G.001 Qualified  
**Product Name:** Group Long Term Care Insurance  
**Project Name/Number:** GLTC-4 Re-Rate/7G-2018

changes requested in Virginia compare with those in other states, along with a listing of the status of the rate reviews in those other states.

**Objection 8**

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please state the lifetime loss ratio anticipated in the original filing.

**Conclusion:**

We will be glad to continue our review of this submission upon receipt of the requested information or resolution of the issues described above. Upon subsequent review, other concerns may require attention.

A response to this objection (or request for information if more applicable) is expected within 30 days. After 30 days, the filing will be DISAPPROVED unless a 30-day extension is requested.

Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed.

Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.

Thank you for your courtesy and consideration in this matter.

Sincerely,  
Bobby Toone

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**State:** Virginia **Filing Company:** The Prudential Insurance Company of America  
**TOI/Sub-TOI:** LTC03G Group Long Term Care/LTC03G.001 Qualified  
**Product Name:** Group Long Term Care Insurance  
**Project Name/Number:** GLTC-4 Re-Rate/7G-2018

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## Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	04/13/2020
Submitted Date	04/13/2020
Respond By Date	05/13/2020

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Dear John Timmerberg,

**Introduction:**

The Bureau has the following concerns and/or needs additional information to continue its review.

Please note, any revisions, modifications, or changes of any type to this filing not specifically requested by us must be brought to our attention upon resubmission and explained in detail.

### Objection 1

- Long Term Care Insurance Rate Request Summary (Supporting Document)

Comments: The Long-Term Care Rate Request Summary states these policies were issued between 2009 and 2018.

1. How many policies were issued after 09/01/2015
2. Any policies issued after 09/01/2015 are subject to the regulations found in 14VAC5-200-154. Please provide separate exhibits for any policies issued after 09/01/2015 in compliance with 14VAC5-200-154.

### Conclusion:

We will be glad to continue our review of this submission upon receipt of the requested information or resolution of the issues described above. Upon subsequent review, other concerns may require attention.

A response to this objection (or request for information if more applicable) is expected within 30 days. After 30 days, the filing will be DISAPPROVED unless a 30-day extension is requested.

Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed.

Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.

Thank you for your courtesy and consideration in this matter.

Sincerely,  
Bobby Toone

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**State:** Virginia **Filing Company:** The Prudential Insurance Company of America  
**TOI/Sub-TOI:** LTC03G Group Long Term Care/LTC03G.001 Qualified  
**Product Name:** Group Long Term Care Insurance  
**Project Name/Number:** GLTC-4 Re-Rate/7G-2018

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## Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	02/03/2020
Submitted Date	02/03/2020
Respond By Date	03/04/2020

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Dear John Timmerberg,

### **Introduction:**

The Bureau has the following concerns and/or needs additional information to continue its review.

Please note, any revisions, modifications, or changes of any type to this filing not specifically requested by us must be brought to our attention upon resubmission and explained in detail.

### **Objection 1**

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please specify if any of these policies were issued after 09/01/2015. Policies issued after 09/01/2015 are subject to the regulations in 14VAC5-200-154 and should be shown separately from policies issued prior to that date.

### **Objection 2**

- L&H Actuarial Memorandum (Supporting Document)

Comments: The Actuarial Memorandum refers to several appendices (A, B, C, D, E, and F). The only one found was Appendix C. Please submit the missing appendices.

### **Conclusion:**

We will be glad to continue our review of this submission upon receipt of the requested information or resolution of the issues described above. Upon subsequent review, other concerns may require attention.

A response to this objection (or request for information if more applicable) is expected within 30 days. After 30 days, the filing will be DISAPPROVED unless a 30-day extension is requested.

Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed.

Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.

Thank you for your courtesy and consideration in this matter.

Sincerely,  
Bobby Toone

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**State:** Virginia **Filing Company:** The Prudential Insurance Company of America  
**TOI/Sub-TOI:** LTC03G Group Long Term Care/LTC03G.001 Qualified  
**Product Name:** Group Long Term Care Insurance  
**Project Name/Number:** GLTC-4 Re-Rate/7G-2018

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## Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	11/15/2019
Submitted Date	11/15/2019
Respond By Date	12/15/2019

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Dear John Timmerberg,

### **Introduction:**

The Bureau has completed a preliminary review of this filing and have the following concerns and/or requests. A more detailed and thorough review will be performed once these concerns are addressed.

Please note, any revisions, modifications or changes of any type to this filing not specifically requested by us must be brought to our attention upon resubmission and explained in detail.

### **Objection 1**

- Long Term Care Insurance Rate Request Summary (Supporting Document)

Comments: Please complete the Rate Request Summary by attaching the required narrative to the form. The narrative should be fairly high level but at least explain to the consumer, in user-friendly language the assumptions and changes that are driving the need for an increase.

### **Objection 2**

- Appendix D - Rate Pages - (VA GLTC4), [83500 COV 5026] (Rate)

Comments: Please provide the Previous State Filing Number, as requested under the rate Action Information Section of the Rate/Rule Schedule. If this is the first requested rate increase, please provide the State Filing Number associated with the filing under which these forms were first submitted.

### **Conclusion:**

We will be glad to continue our review of this submission upon receipt of the requested information or resolution of the issues described above. Upon subsequent review, other concerns may require attention.

A response to this objection (or request for information if more applicable) is expected within 30 days. After 30 days, the filing will be DISAPPROVED unless a 30-day extension is requested.

Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed.

Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.

Thank you for your courtesy and consideration in this matter.

Sincerely,  
Bobby Toone



<b>SERFF Tracking #:</b>	PRUD-131998699	<b>State Tracking #:</b>	PRUD-131998699	<b>Company Tracking #:</b>	IIGHGLTC4RATE-RP-VA
<hr/>					
<b>State:</b>	Virginia	<b>Filing Company:</b>	The Prudential Insurance Company of America		
<b>TOI/Sub-TOI:</b>	LTC03G Group Long Term Care/LTC03G.001 Qualified				
<b>Product Name:</b>	Group Long Term Care Insurance				
<b>Project Name/Number:</b>	GLTC-4 Re-Rate/7G-2018				

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	08/12/2021
Submitted Date	08/12/2021

Dear Bobby Toone,

### **Introduction:**

Thank you for your review of the above referenced filing material.

### **Response 1**

#### **Comments:**

At the Department's request, we have removed the originally approved Group LTC Templates, and replaced those documents with "John Doe" versions.

We have also removed the previously approved Manual of Variable Language document.

### **Related Objection 1**

Applies To:

- VA - Certificateholder Advanced Notification Letter Package (Supporting Document)

Comments: As these documents have previously been approved, the Manual of Variable language is not required. Also, please replace the other documents with "John Doe" versions, completed in the same manner that will be sent to a policyholder, with no variability or annotations.

### **Changed Items:**

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

<b>State:</b>	Virginia	<b>Filing Company:</b>	The Prudential Insurance Company of America
<b>TOI/Sub-TOI:</b>	LTC03G Group Long Term Care/LTC03G.001 Qualified		
<b>Product Name:</b>	Group Long Term Care Insurance		
<b>Project Name/Number:</b>	GLTC-4 Re-Rate/7G-2018		

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	VA - Certificateholder Advanced Notification Letter Package
<b>Comments:</b>	Please be advised that the Advanced Notification Package was previously reviewed and filed by Department on June 5, 2019, under SERFF Filing Number PRUD-129708969.  We have replaced the originally approved template with "John Doe" versions of the documents.
<b>Attachment(s):</b>	GRP 115128 - VA Advanced Notification Letter - 2-2019 (John Doe version GLTC4).pdf VA - Change Request Form - 9-2018 (John Doe version GLTC4).pdf GRP 115279 - Frequently Asked Questions - 9-2018 (John Doe version GLTC4).pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	VA - Certificateholder Advanced Notification Letter Package
<b>Comments:</b>	Please be advised that the Advanced Notification Package was previously reviewed and filed by Department on June 5, 2019, under SERFF Filing Number PRUD-129708969.
<b>Attachment(s):</b>	GRP 115128 - VA Advanced Notification Letter - 2-2019.pdf GRP 115279 - Frequently Asked Questions - 9-2018.pdf Manual of Variable Language - File Copy - 3-4-2019.pdf GRP 115125 - VA Endorsement - 9-2018.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	VA - Certificateholder Advanced Notification Letter Package
<b>Comments:</b>	Please be advised that the Advanced Notification Package was previously reviewed and approved by Department on June 5, 2019, under SERFF Filing Number PRUD-129708969.
<b>Attachment(s):</b>	GRP 115128 - VA Advanced Notification Letter - 2-2019.pdf GRP 115279 - Frequently Asked Questions - 9-2018.pdf Manual of Variable Language - File Copy - 3-4-2019.pdf GRP 115125 - VA Endorsement - 9-2018.pdf

**Conclusion:**

We trust this information satisfies the Department's concerns. Should you be in need of any additional information, please do not hesitate to contact me. Thank you. -Rae

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The Prudential Insurance Company of America  
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Voice: 215-658-6281| Cell: 215-990-7186  
Fax: 888-294-6332  
E-Mail: Raenonna.prince@prudential.com

<b>State:</b>	Virginia	<b>Filing Company:</b>	The Prudential Insurance Company of America
<b>TOI/Sub-TOI:</b>	LTC03G Group Long Term Care/LTC03G.001 Qualified		
<b>Product Name:</b>	Group Long Term Care Insurance		
<b>Project Name/Number:</b>	GLTC-4 Re-Rate/7G-2018		

Sincerely,  
Raenonna Prince

<b>SERFF Tracking #:</b>	PRUD-131998699	<b>State Tracking #:</b>	PRUD-131998699	<b>Company Tracking #:</b>	IIGHGLTC4RATE-RP-VA
<hr/>					
<b>State:</b>	Virginia	<b>Filing Company:</b>	The Prudential Insurance Company of America		
<b>TOI/Sub-TOI:</b>	LTC03G Group Long Term Care/LTC03G.001 Qualified				
<b>Product Name:</b>	Group Long Term Care Insurance				
<b>Project Name/Number:</b>	GLTC-4 Re-Rate/7G-2018				

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	04/28/2021
Submitted Date	04/28/2021

Dear Bobby Toone,

### **Introduction:**

Hi,

Please find attached response to objection dated.03.30.2021.

Thanks & Regards,

Aishwarya

Email-aishwarya.grover@prudential.com

### **Response 1**

#### **Comments:**

Hi,

Please find attached response to objection dated.03.30.2021.

Thanks & Regards,

Aishwarya

Email-aishwarya.grover@prudential.com

### **Related Objection 1**

Comments: Virginia Regulation 14VAC5-200-125 requires that every insurer with long-term care policies in Virginia shall report their premium rates and experience to the commission every year. We could find no record of any Long-Term Care Annual Rate Reports submitted for these policy forms. If they have been submitted, please provide the SERFF tracking numbers. Otherwise please explain why none have been submitted for these forms.

### **Changed Items:**

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

<b>State:</b>	Virginia	<b>Filing Company:</b>	The Prudential Insurance Company of America
<b>TOI/Sub-TOI:</b>	LTC03G Group Long Term Care/LTC03G.001 Qualified		
<b>Product Name:</b>	Group Long Term Care Insurance		
<b>Project Name/Number:</b>	GLTC-4 Re-Rate/7G-2018		

Supporting Document Schedule Item Changes	
Satisfied - Item:	Letter of Response - 03-30-2021
Comments:	
Attachment(s):	VA GLTC4 resp to 2021-03-30 Objection.pdf

**Conclusion:**

Sincerely,  
Aishwarya Grover

<b>SERFF Tracking #:</b>	PRUD-131998699	<b>State Tracking #:</b>	PRUD-131998699	<b>Company Tracking #:</b>	IIGHGLTC4RATE-RP-VA
<b>State:</b>	Virginia	<b>Filing Company:</b>	The Prudential Insurance Company of America		
<b>TOI/Sub-TOI:</b>	LTC03G Group Long Term Care/LTC03G.001 Qualified				
<b>Product Name:</b>	Group Long Term Care Insurance				
<b>Project Name/Number:</b>	GLTC-4 Re-Rate/7G-2018				

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	01/29/2021
Submitted Date	01/29/2021

Dear Bobby Toone,

### Introduction:

### Response 1

#### Comments:

Please refer to the letter of response and additional response material from our actuarial department . The response material can be referenced on the Supporting Documentation Tab of this filing.

### Related Objection 1

Applies To:

- VA GLTC4 Projections (Supporting Document)

Comments: Projection 2e is not as requested. This should be a projection of what would have happened if all original assumptions had played out exactly as assumed for the cohort of policies actually issued. Therefore, even the historical period (2009 2018) should not be based on actual experience but on original assumed morbidity, mortality and lapse.

### Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	2020-11-30 Objection Response Package
<b>Comments:</b>	
<b>Attachment(s):</b>	VA GLTC4 resp to 2020-11-30 obj.pdf GLTC4 2020-11-30 Objection Attachments.xlsx

### Response 2

#### Comments:

Please refer to the letter of response and additional response material from our actuarial department . The response material can be referenced on the Supporting Documentation Tab of this filing.

State:	Virginia	Filing Company:	The Prudential Insurance Company of America
TOI/Sub-TOI:	LTC03G Group Long Term Care/LTC03G.001 Qualified		
Product Name:	Group Long Term Care Insurance		
Project Name/Number:	GLTC-4 Re-Rate/7G-2018		

**Related Objection 2**

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: The Bureau interprets the statutes to require the future loss ratio, calculated as (PV Future Claims minus Active Life Reserve) divided by PV Future Premiums, to be greater than the minimum loss ratio. The ALR that was provided by the Company (\$604M) could result in no increase being approved. Please ensure that the active life reserve is for only those policies that are included in the projection. Note that using a strengthened reserve basis will result in a lower allowable increase, therefore the Bureau will accept a pro-forma reserve using original pricing assumptions rather than the actual strengthened reserves being held.

**Changed Items:**

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes	
Satisfied - Item:	2020-11-30 Objection Response Package
Comments:	
Attachment(s):	VA GLTC4 resp to 2020-11-30 obj.pdf GLTC4 2020-11-30 Objection Attachments.xlsx

**Conclusion:**

Sincerely,  
Meong Kwak

<b>SERFF Tracking #:</b>	PRUD-131998699	<b>State Tracking #:</b>	PRUD-131998699	<b>Company Tracking #:</b>	IIGHGLTC4RATE-RP-VA
<hr/>					
<b>State:</b>	Virginia	<b>Filing Company:</b>	The Prudential Insurance Company of America		
<b>TOI/Sub-TOI:</b>	LTC03G Group Long Term Care/LTC03G.001 Qualified				
<b>Product Name:</b>	Group Long Term Care Insurance				
<b>Project Name/Number:</b>	GLTC-4 Re-Rate/7G-2018				

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	11/05/2020
Submitted Date	11/05/2020

Dear Bobby Toone,

### **Introduction:**

Thank you for your review of the above referenced filing material.

### **Response 1**

#### **Comments:**

Please refer to the letter of response and additional response material from our Actuary, Mr. Arun Paul. The response material can be referenced on the Supporting Documentation Tab of this filing.

### **Related Objection 1**

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: 1. For all projections requested in the next question, the baseline should comply with the following:

- a. Any limited-pay policies that are now in paid-up status should be removed, both from historical experience and future projections.
- b. For this post-stability block, the Company may choose to use margins for moderately adverse conditions.
- c. Nationwide premiums should be calculated as if all policies were issued in Virginia for both historical and projected future premiums.
- d. All discounting should be at the average valuation rate.

2. To assist the Bureau in its review, please provide (in Excel format) the following projections on a nationwide basis:

- a. current assumptions and current rates
- b. current assumptions with the proposed rate increase
- c. current assumptions with the proposed rate increase, but with no shock lapses, benefit reductions, CBUL, or adverse selection (if applicable)
- d. current assumptions with premiums restated as if the proposed rate schedule had been in effect from inception
- e. original assumptions and original premiums from inception

Projections a-e can be separate tabs or combined into separate columns on the same exhibit.

### **Changed Items:**

No Form Schedule items changed.



<b>State:</b>	Virginia	<b>Filing Company:</b>	The Prudential Insurance Company of America
<b>TOI/Sub-TOI:</b>	LTC03G Group Long Term Care/LTC03G.001 Qualified		
<b>Product Name:</b>	Group Long Term Care Insurance		
<b>Project Name/Number:</b>	GLTC-4 Re-Rate/7G-2018		

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	Letter of Response - 11-5-2020
<b>Comments:</b>	
<b>Attachment(s):</b>	VA - Letter of Response (GLTC4) - 11-5-2020.pdf

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	Letter of Response - 11-5-2020
<b>Comments:</b>	
<b>Attachment(s):</b>	VA - Letter of Response (GLTC4) - 11-5-2020.pdf

<b>Satisfied - Item:</b>	VA GLTC4 Projections
<b>Comments:</b>	
<b>Attachment(s):</b>	VA GLTC4 Projections.xlsx

## Response 2

### Comments:

Please refer to the letter of response and additional response material from our Actuary, Mr. Arun Paul. The response material can be referenced on the Supporting Documentation Tab of this filing.

## Related Objection 2

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide the active life reserve as of the projection date. Note that since the Company has strengthened reserves, the Bureau will accept a pro-forma reserve using original pricing assumptions rather than the actual reserves being held.

## Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

<b>SERFF Tracking #:</b>	PRUD-131998699	<b>State Tracking #:</b>	PRUD-131998699	<b>Company Tracking #:</b>	IIGHGLTC4RATE-RP-VA
<b>State:</b>	Virginia	<b>Filing Company:</b>	The Prudential Insurance Company of America		
<b>TOI/Sub-TOI:</b>	LTC03G Group Long Term Care/LTC03G.001 Qualified				
<b>Product Name:</b>	Group Long Term Care Insurance				
<b>Project Name/Number:</b>	GLTC-4 Re-Rate/7G-2018				

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	Letter of Response - 11-5-2020
<b>Comments:</b>	
<b>Attachment(s):</b>	VA - Letter of Response (GLTC4) - 11-5-2020.pdf

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	Letter of Response - 11-5-2020
<b>Comments:</b>	
<b>Attachment(s):</b>	VA - Letter of Response (GLTC4) - 11-5-2020.pdf

<b>Satisfied - Item:</b>	VA GLTC4 Projections
<b>Comments:</b>	
<b>Attachment(s):</b>	VA GLTC4 Projections.xlsx

### Response 3

#### Comments:

Please refer to the letter of response and additional response material from our Actuary, Mr. Arun Paul. The response material can be referenced on the Supporting Documentation Tab of this filing.

### Related Objection 3

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide all projections and data elements required to calculate the increase allowed under the Prospective PV Approach and the Blended If-Knew/Make-up Approach (see attached description).

### Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	Letter of Response - 11-5-2020
<b>Comments:</b>	
<b>Attachment(s):</b>	VA - Letter of Response (GLTC4) - 11-5-2020.pdf

<b>SERFF Tracking #:</b>	PRUD-131998699	<b>State Tracking #:</b>	PRUD-131998699	<b>Company Tracking #:</b>	IIGHGLTC4RATE-RP-VA
<b>State:</b>	Virginia	<b>Filing Company:</b>	The Prudential Insurance Company of America		
<b>TOI/Sub-TOI:</b>	LTC03G Group Long Term Care/LTC03G.001 Qualified				
<b>Product Name:</b>	Group Long Term Care Insurance				
<b>Project Name/Number:</b>	GLTC-4 Re-Rate/7G-2018				

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	Letter of Response - 11-5-2020
<b>Comments:</b>	
<b>Attachment(s):</b>	VA - Letter of Response (GLTC4) - 11-5-2020.pdf
<b>Satisfied - Item:</b>	VA GLTC4 If Knew Blended Approach
<b>Comments:</b>	
<b>Attachment(s):</b>	VA GLTC4 If Knew Blended Approach.xlsx

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	Letter of Response - 11-5-2020
<b>Comments:</b>	
<b>Attachment(s):</b>	VA - Letter of Response (GLTC4) - 11-5-2020.pdf
<b>Satisfied - Item:</b>	VA GLTC4 If Knew Blended Approach
<b>Comments:</b>	
<b>Attachment(s):</b>	VA GLTC4 If Knew Blended Approach.xlsx
<b>Satisfied - Item:</b>	VA GLTC4 PPV Approach
<b>Comments:</b>	
<b>Attachment(s):</b>	VA GLTC4 PPV Approach.xlsx

#### **Response 4**

##### **Comments:**

Please refer to the letter of response from our Actuary, Mr. Arun Paul. The response material can be referenced on the Supporting Documentation Tab of this filing.

#### **Related Objection 4**

*Applies To:*

- L&H Actuarial Memorandum (Supporting Document)

*Comments:* Please provide a discussion of the credibility of the company's own experience data, including the total number of claims in the company's historical experience.

#### **Changed Items:**

No Form Schedule items changed.

<b>State:</b>	Virginia	<b>Filing Company:</b>	The Prudential Insurance Company of America
<b>TOI/Sub-TOI:</b>	LTC03G Group Long Term Care/LTC03G.001 Qualified		
<b>Product Name:</b>	Group Long Term Care Insurance		
<b>Project Name/Number:</b>	GLTC-4 Re-Rate/7G-2018		

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	Letter of Response - 11-5-2020
<b>Comments:</b>	
<b>Attachment(s):</b>	VA - Letter of Response (GLTC4) - 11-5-2020.pdf

**Conclusion:**

We trust this information satisfies the Department's concerns. Should you be in need of any additional information, please do not hesitate to contact me. Thanks! -Rae

Raenonna L. Prince, CLTC, LTCP  
Lead Analyst  
The Prudential Insurance Company of America  
2101 Welsh Road, LTC Unit  
Dresher, PA 19025  
Voice: 215-658-6281| Cell: 215-990-7186  
Fax: 888-294-6332  
E-Mail: Raenonna.prince@prudential.com

Sincerely,  
Raenonna Prince

<b>SERFF Tracking #:</b>	PRUD-131998699	<b>State Tracking #:</b>	PRUD-131998699	<b>Company Tracking #:</b>	IIGHGLTC4RATE-RP-VA
<hr/>					
<b>State:</b>	Virginia	<b>Filing Company:</b>	The Prudential Insurance Company of America		
<b>TOI/Sub-TOI:</b>	LTC03G Group Long Term Care/LTC03G.001 Qualified				
<b>Product Name:</b>	Group Long Term Care Insurance				
<b>Project Name/Number:</b>	GLTC-4 Re-Rate/7G-2018				

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	06/18/2020
Submitted Date	06/18/2020

Dear Bobby Toone,

### **Introduction:**

Thank you for your review of the above referenced filing material.

### **Response 1**

#### **Comments:**

Please refer to the letter of response and additional response material from our Actuary, Ms. Ritu Jain. The response material can be referenced on the Rate Schedule and Supporting Documentation Tabs of this filing.

### **Related Objection 1**

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Section 1 of the Actuarial Memorandum states the proposed increase will affect the Long-Term Care Forms and their associated riders. Please make sure any riders that are affected by this increase are listed in the Act.Memo. and in the Rate/Rule Schedule.

### **Changed Items:**

No Form Schedule items changed.

SERFF Tracking #:

PRUD-131998699

State Tracking #:

PRUD-131998699

Company Tracking #:

IIGHGLTC4RATE-RP-VA

State: Virginia

Filing Company:

The Prudential Insurance Company of America

TOI/Sub-TOI: LTC03G Group Long Term Care/LTC03G.001 Qualified

Product Name: Group Long Term Care Insurance

Project Name/Number: GLTC-4 Re-Rate/7G-2018

## Rate/Rule Schedule Item Changes

Item No.	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments	Date Submitted
1	Appendix D - 83500 COV 5026 - Base Policy Rate Pages -	83500 COV 5026	Revised	Previous State Filing Number: N/A Percent Rate Change Request: 10	Appendix D - 83500 COV 5026 - Base Policy Rate Pages (VA GLTC4).pdf,	06/18/2020 By: Raenonna Prince
<i>Previous Version</i>						
1	Appendix D - Rate Pages - (VA GLTC4)	83500 COV 5026	Revised	Previous State Filing Number: N/A Percent Rate Change Request: 10	Appendix D - Rate Pages (VA GLTC4).pdf,	07/01/2019 By: Raenonna Prince
2	Appendix D - Automatic Compound Inflation Rate Pages	83500 LTC T 5139	Revised	Previous State Filing Number: N/A Percent Rate Change Request: 10	Appendix D - 83500 LTC T 5139 - Automatic Compound Inflation Rate Pages (VA GLTC4).pdf,	06/18/2020 By: Raenonna Prince
3	Appendix D - Automatic Compound Inflation w/ Cap Rate Pages	83500 LTC T 5140	Revised	Previous State Filing Number: N/A Percent Rate Change Request: 10	Appendix D - 83500 LTC T 5140 - Automatic Compound Inflation with Cap Rate Pages (VA GLTC4).pdf,	06/18/2020 By: Raenonna Prince
4	Appendix D - Automatic Simple Inflation Rate Pages	83500 LTC T 5141	Revised	Previous State Filing Number: N/A Percent Rate Change Request: 10	Appendix D - 83500 LTC T 5141 - Automatic Simple Inflation Rate Pages (VA GLTC4).pdf,	06/18/2020 By: Raenonna Prince
5	Appendix D - GPO Rate Pages	83500 LTC T 5142	Revised	Previous State Filing Number: N/A Percent Rate Change Request: 10	Appendix D - 83500 LTC T 5142 - GPO Rate Pages (VA GLTC4).pdf,	06/18/2020 By: Raenonna Prince

<b>State:</b>	Virginia	<b>Filing Company:</b>	The Prudential Insurance Company of America
<b>TOI/Sub-TOI:</b>	LTC03G Group Long Term Care/LTC03G.001 Qualified		
<b>Product Name:</b>	Group Long Term Care Insurance		
<b>Project Name/Number:</b>	GLTC-4 Re-Rate/7G-2018		

Supporting Document Schedule Item Changes	
Satisfied - Item:	L&H Actuarial Memorandum
Comments:	
Attachment(s):	VA - All GLTC4 Rate Increase.pdf VA Act Memo - Revised Rates GLTC4.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>L&amp;H Actuarial Memorandum</i>
Comments:	
Attachment(s):	<i>VA - Act Memo - Revised Rates GLTC4.pdf VA - All GLTC4 Rate Increase.pdf</i>
<i>Previous Version</i>	
Satisfied - Item:	<i>L&amp;H Actuarial Memorandum</i>
Comments:	
Attachment(s):	<i>VA - Act Memo - Revised Rates GLTC4.pdf VA GLTC-4) LTC Rate Summary - 7-1-2019.pdf</i>

<b>State:</b>	Virginia	<b>Filing Company:</b>	The Prudential Insurance Company of America
<b>TOI/Sub-TOI:</b>	LTC03G Group Long Term Care/LTC03G.001 Qualified		
<b>Product Name:</b>	Group Long Term Care Insurance		
<b>Project Name/Number:</b>	GLTC-4 Re-Rate/7G-2018		

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	L&H Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	VA - All GLTC4 Rate Increase.pdf VA Act Memo - Revised Rates GLTC4.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>L&amp;H Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>VA - Act Memo - Revised Rates GLTC4.pdf VA - All GLTC4 Rate Increase.pdf</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>L&amp;H Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>VA - Act Memo - Revised Rates GLTC4.pdf VA GLTC-4) LTC Rate Summary - 7-1-2019.pdf</i>

<b>Satisfied - Item:</b>	Letter of Response - 6-18-2020
<b>Comments:</b>	
<b>Attachment(s):</b>	VA - Letter of Response (GLTC4) - 6-18-2020.pdf

## Response 2

### Comments:

Please refer to the letter of response from our Actuary, Ms. Ritu Jain. The letter of response can be referenced on the Supporting Documentation Tab of this filing.

## Related Objection 2

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: In compliance with 14VAC5-200-153 C 4, please verify that all present and accumulated values used to determine rate increases are using the maximum valuation interest rate for contract reserves as specified in § 38.2-1371 of the Code of Virginia. If not, please make the necessary revisions.

### Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.



<b>State:</b>	Virginia	<b>Filing Company:</b>	The Prudential Insurance Company of America
<b>TOI/Sub-TOI:</b>	LTC03G Group Long Term Care/LTC03G.001 Qualified		
<b>Product Name:</b>	Group Long Term Care Insurance		
<b>Project Name/Number:</b>	GLTC-4 Re-Rate/7G-2018		

Supporting Document Schedule Item Changes	
Satisfied - Item:	L&H Actuarial Memorandum
Comments:	
Attachment(s):	VA - All GLTC4 Rate Increase.pdf VA Act Memo - Revised Rates GLTC4.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>L&amp;H Actuarial Memorandum</i>
Comments:	
Attachment(s):	<i>VA - Act Memo - Revised Rates GLTC4.pdf VA - All GLTC4 Rate Increase.pdf</i>
<i>Previous Version</i>	
Satisfied - Item:	<i>L&amp;H Actuarial Memorandum</i>
Comments:	
Attachment(s):	<i>VA - Act Memo - Revised Rates GLTC4.pdf VA GLTC-4) LTC Rate Summary - 7-1-2019.pdf</i>

<b>State:</b>	Virginia	<b>Filing Company:</b>	The Prudential Insurance Company of America
<b>TOI/Sub-TOI:</b>	LTC03G Group Long Term Care/LTC03G.001 Qualified		
<b>Product Name:</b>	Group Long Term Care Insurance		
<b>Project Name/Number:</b>	GLTC-4 Re-Rate/7G-2018		

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	L&H Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	VA - All GLTC4 Rate Increase.pdf VA Act Memo - Revised Rates GLTC4.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>L&amp;H Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>VA - Act Memo - Revised Rates GLTC4.pdf VA - All GLTC4 Rate Increase.pdf</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>L&amp;H Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>VA - Act Memo - Revised Rates GLTC4.pdf VA GLTC-4) LTC Rate Summary - 7-1-2019.pdf</i>

<b>Satisfied - Item:</b>	Letter of Response - 6-18-2020
<b>Comments:</b>	
<b>Attachment(s):</b>	VA - Letter of Response (GLTC4) - 6-18-2020.pdf

### Response 3

#### Comments:

Please refer to the letter of response from our Actuary, Ms. Ritu Jain. The letter of response can be referenced on the Supporting Documentation Tab of this filing.

### Related Objection 3

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please advise if the actuarial assumptions associated with the rate increase request are consistent with the assumptions embedded in the most recent asset adequacy testing. If not, either make the appropriate revisions or explain any discrepancies.

#### Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

<b>State:</b>	Virginia	<b>Filing Company:</b>	The Prudential Insurance Company of America
<b>TOI/Sub-TOI:</b>	LTC03G Group Long Term Care/LTC03G.001 Qualified		
<b>Product Name:</b>	Group Long Term Care Insurance		
<b>Project Name/Number:</b>	GLTC-4 Re-Rate/7G-2018		

Supporting Document Schedule Item Changes	
Satisfied - Item:	L&H Actuarial Memorandum
Comments:	
Attachment(s):	VA - All GLTC4 Rate Increase.pdf VA Act Memo - Revised Rates GLTC4.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>L&amp;H Actuarial Memorandum</i>
Comments:	
Attachment(s):	<i>VA - Act Memo - Revised Rates GLTC4.pdf VA - All GLTC4 Rate Increase.pdf</i>
<i>Previous Version</i>	
Satisfied - Item:	<i>L&amp;H Actuarial Memorandum</i>
Comments:	
Attachment(s):	<i>VA - Act Memo - Revised Rates GLTC4.pdf VA GLTC-4) LTC Rate Summary - 7-1-2019.pdf</i>

<b>State:</b>	Virginia	<b>Filing Company:</b>	The Prudential Insurance Company of America
<b>TOI/Sub-TOI:</b>	LTC03G Group Long Term Care/LTC03G.001 Qualified		
<b>Product Name:</b>	Group Long Term Care Insurance		
<b>Project Name/Number:</b>	GLTC-4 Re-Rate/7G-2018		

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	L&H Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	VA - All GLTC4 Rate Increase.pdf VA Act Memo - Revised Rates GLTC4.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>L&amp;H Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>VA - Act Memo - Revised Rates GLTC4.pdf VA - All GLTC4 Rate Increase.pdf</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>L&amp;H Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>VA - Act Memo - Revised Rates GLTC4.pdf VA GLTC-4) LTC Rate Summary - 7-1-2019.pdf</i>

<b>Satisfied - Item:</b>	Letter of Response - 6-18-2020
<b>Comments:</b>	
<b>Attachment(s):</b>	VA - Letter of Response (GLTC4) - 6-18-2020.pdf

#### Response 4

##### Comments:

Please refer to the letter of response and additional response material from our Actuary, Ms. Ritu Jain. The response material can be referenced on the supporting Documentation Tab of this filing.

#### Related Objection 4

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide sufficient detail or documentation so that any projections can be recreated. Please provide a copy of all projections in Excel with working formulas. Re-state the nationwide experience using Virginia approved rates.

#### Changed Items:

No Form Schedule items changed.

<b>State:</b>	Virginia	<b>Filing Company:</b>	The Prudential Insurance Company of America
<b>TOI/Sub-TOI:</b>	LTC03G Group Long Term Care/LTC03G.001 Qualified		
<b>Product Name:</b>	Group Long Term Care Insurance		
<b>Project Name/Number:</b>	GLTC-4 Re-Rate/7G-2018		

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes	
Satisfied - Item:	L&H Actuarial Memorandum
Comments:	
Attachment(s):	VA - All GLTC4 Rate Increase.pdf VA Act Memo - Revised Rates GLTC4.pdf
Previous Version	
Satisfied - Item:	L&H Actuarial Memorandum
Comments:	
Attachment(s):	VA - Act Memo - Revised Rates GLTC4.pdf VA - All GLTC4 Rate Increase.pdf
Previous Version	
Satisfied - Item:	L&H Actuarial Memorandum
Comments:	
Attachment(s):	VA - Act Memo - Revised Rates GLTC4.pdf VA GLTC-4) LTC Rate Summary - 7-1-2019.pdf

<b>State:</b>	Virginia	<b>Filing Company:</b>	The Prudential Insurance Company of America
<b>TOI/Sub-TOI:</b>	LTC03G Group Long Term Care/LTC03G.001 Qualified		
<b>Product Name:</b>	Group Long Term Care Insurance		
<b>Project Name/Number:</b>	GLTC-4 Re-Rate/7G-2018		

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	L&H Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	VA - All GLTC4 Rate Increase.pdf VA Act Memo - Revised Rates GLTC4.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>L&amp;H Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>VA - Act Memo - Revised Rates GLTC4.pdf VA - All GLTC4 Rate Increase.pdf</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>L&amp;H Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>VA - Act Memo - Revised Rates GLTC4.pdf VA GLTC-4) LTC Rate Summary - 7-1-2019.pdf</i>
<b>Satisfied - Item:</b>	Letter of Response - 6-18-2020
<b>Comments:</b>	
<b>Attachment(s):</b>	VA - Letter of Response (GLTC4) - 6-18-2020.pdf

<b>State:</b>	Virginia	<b>Filing Company:</b>	The Prudential Insurance Company of America
<b>TOI/Sub-TOI:</b>	LTC03G Group Long Term Care/LTC03G.001 Qualified		
<b>Product Name:</b>	Group Long Term Care Insurance		
<b>Project Name/Number:</b>	GLTC-4 Re-Rate/7G-2018		

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	L&H Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	VA - All GLTC4 Rate Increase.pdf VA Act Memo - Revised Rates GLTC4.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>L&amp;H Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>VA - Act Memo - Revised Rates GLTC4.pdf VA - All GLTC4 Rate Increase.pdf</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>L&amp;H Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>VA - Act Memo - Revised Rates GLTC4.pdf VA GLTC-4) LTC Rate Summary - 7-1-2019.pdf</i>

<b>Satisfied - Item:</b>	Letter of Response - 6-18-2020
<b>Comments:</b>	
<b>Attachment(s):</b>	VA - Letter of Response (GLTC4) - 6-18-2020.pdf

<b>Satisfied - Item:</b>	2018 GLTC Morbidity & Persistency Assumptions
<b>Comments:</b>	
<b>Attachment(s):</b>	2018 GLTC Morbidity&persistency Assumptions.xlsx

<b>State:</b>	Virginia	<b>Filing Company:</b>	The Prudential Insurance Company of America
<b>TOI/Sub-TOI:</b>	LTC03G Group Long Term Care/LTC03G.001 Qualified		
<b>Product Name:</b>	Group Long Term Care Insurance		
<b>Project Name/Number:</b>	GLTC-4 Re-Rate/7G-2018		

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	L&H Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	VA - All GLTC4 Rate Increase.pdf VA Act Memo - Revised Rates GLTC4.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>L&amp;H Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>VA - Act Memo - Revised Rates GLTC4.pdf VA - All GLTC4 Rate Increase.pdf</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>L&amp;H Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>VA - Act Memo - Revised Rates GLTC4.pdf VA GLTC-4) LTC Rate Summary - 7-1-2019.pdf</i>

<b>Satisfied - Item:</b>	Letter of Response - 6-18-2020
<b>Comments:</b>	
<b>Attachment(s):</b>	VA - Letter of Response (GLTC4) - 6-18-2020.pdf

<b>Satisfied - Item:</b>	2018 GLTC Morbidity & Persistency Assumptions
<b>Comments:</b>	
<b>Attachment(s):</b>	2018 GLTC Morbidity&persistency Assumptions.xlsx

<b>Satisfied - Item:</b>	VA GLTC4 Projections - with Formulas
<b>Comments:</b>	
<b>Attachment(s):</b>	VA GLTC4 Projections - with Formulas.xlsx

### Response 5

#### Comments:

Please refer to the letter of response and additional response material from our Actuary, Ms. Ritu Jain. The response material can be referenced on the supporting Documentation Tab of this filing.

### Related Objection 5

Applies To:



<b>State:</b>	Virginia	<b>Filing Company:</b>	The Prudential Insurance Company of America
<b>TOI/Sub-TOI:</b>	LTC03G Group Long Term Care/LTC03G.001 Qualified		
<b>Product Name:</b>	Group Long Term Care Insurance		
<b>Project Name/Number:</b>	GLTC-4 Re-Rate/7G-2018		

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide an actual-to-expected analysis on the original assumptions and those included in the current filing.

**Changed Items:**

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	L&H Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	VA - All GLTC4 Rate Increase.pdf VA Act Memo - Revised Rates GLTC4.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>L&amp;H Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>VA - Act Memo - Revised Rates GLTC4.pdf VA - All GLTC4 Rate Increase.pdf</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>L&amp;H Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>VA - Act Memo - Revised Rates GLTC4.pdf VA GLTC-4) LTC Rate Summary - 7-1-2019.pdf</i>

<b>State:</b>	Virginia	<b>Filing Company:</b>	The Prudential Insurance Company of America
<b>TOI/Sub-TOI:</b>	LTC03G Group Long Term Care/LTC03G.001 Qualified		
<b>Product Name:</b>	Group Long Term Care Insurance		
<b>Project Name/Number:</b>	GLTC-4 Re-Rate/7G-2018		

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	L&H Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	VA - All GLTC4 Rate Increase.pdf VA Act Memo - Revised Rates GLTC4.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>L&amp;H Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>VA - Act Memo - Revised Rates GLTC4.pdf VA - All GLTC4 Rate Increase.pdf</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>L&amp;H Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>VA - Act Memo - Revised Rates GLTC4.pdf VA GLTC-4) LTC Rate Summary - 7-1-2019.pdf</i>
<b>Satisfied - Item:</b>	Letter of Response - 6-18-2020
<b>Comments:</b>	
<b>Attachment(s):</b>	VA - Letter of Response (GLTC4) - 6-18-2020.pdf

<b>State:</b>	Virginia	<b>Filing Company:</b>	The Prudential Insurance Company of America
<b>TOI/Sub-TOI:</b>	LTC03G Group Long Term Care/LTC03G.001 Qualified		
<b>Product Name:</b>	Group Long Term Care Insurance		
<b>Project Name/Number:</b>	GLTC-4 Re-Rate/7G-2018		

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	L&H Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	VA - All GLTC4 Rate Increase.pdf VA Act Memo - Revised Rates GLTC4.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>L&amp;H Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>VA - Act Memo - Revised Rates GLTC4.pdf VA - All GLTC4 Rate Increase.pdf</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>L&amp;H Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>VA - Act Memo - Revised Rates GLTC4.pdf VA GLTC-4) LTC Rate Summary - 7-1-2019.pdf</i>

<b>Satisfied - Item:</b>	Letter of Response - 6-18-2020
<b>Comments:</b>	
<b>Attachment(s):</b>	VA - Letter of Response (GLTC4) - 6-18-2020.pdf

<b>Satisfied - Item:</b>	GLTC4 Original A to E Exhibit
<b>Comments:</b>	
<b>Attachment(s):</b>	GLTC4 Original Pricing A to E Exhibit.pdf

## Response 6

### Comments:

Please refer to the letter of response from our Actuary, Ms. Ritu Jain. The letter of response can be referenced on the Supporting Documentation Tab of this filing.

## Related Objection 6

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide a step-by-step quantification of the impact of the change in each assumption from the original assumptions to the current assumptions.

## Changed Items:

<b>State:</b>	Virginia	<b>Filing Company:</b>	The Prudential Insurance Company of America
<b>TOI/Sub-TOI:</b>	LTC03G Group Long Term Care/LTC03G.001 Qualified		
<b>Product Name:</b>	Group Long Term Care Insurance		
<b>Project Name/Number:</b>	GLTC-4 Re-Rate/7G-2018		

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	L&H Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	VA - All GLTC4 Rate Increase.pdf VA Act Memo - Revised Rates GLTC4.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>L&amp;H Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>VA - Act Memo - Revised Rates GLTC4.pdf VA - All GLTC4 Rate Increase.pdf</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>L&amp;H Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>VA - Act Memo - Revised Rates GLTC4.pdf VA GLTC-4) LTC Rate Summary - 7-1-2019.pdf</i>

<b>State:</b>	Virginia	<b>Filing Company:</b>	The Prudential Insurance Company of America
<b>TOI/Sub-TOI:</b>	LTC03G Group Long Term Care/LTC03G.001 Qualified		
<b>Product Name:</b>	Group Long Term Care Insurance		
<b>Project Name/Number:</b>	GLTC-4 Re-Rate/7G-2018		

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	L&H Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	VA - All GLTC4 Rate Increase.pdf VA Act Memo - Revised Rates GLTC4.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>L&amp;H Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>VA - Act Memo - Revised Rates GLTC4.pdf VA - All GLTC4 Rate Increase.pdf</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>L&amp;H Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>VA - Act Memo - Revised Rates GLTC4.pdf VA GLTC-4) LTC Rate Summary - 7-1-2019.pdf</i>

<b>Satisfied - Item:</b>	Letter of Response - 6-18-2020
<b>Comments:</b>	
<b>Attachment(s):</b>	VA - Letter of Response (GLTC4) - 6-18-2020.pdf

### Response 7

#### Comments:

Please refer to the letter of response and additional response material from our Actuary, Ms. Ritu Jain. The response material can be referenced on the supporting Documentation Tab of this filing.

### Related Objection 7

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please advise in which states the company has requested rate increases on this block and describe how the rate changes requested in Virginia compare with those in other states, along with a listing of the status of the rate reviews in those other states.

### Changed Items:

No Form Schedule items changed.

<b>State:</b>	Virginia	<b>Filing Company:</b>	The Prudential Insurance Company of America
<b>TOI/Sub-TOI:</b>	LTC03G Group Long Term Care/LTC03G.001 Qualified		
<b>Product Name:</b>	Group Long Term Care Insurance		
<b>Project Name/Number:</b>	GLTC-4 Re-Rate/7G-2018		

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	L&H Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	VA - All GLTC4 Rate Increase.pdf VA Act Memo - Revised Rates GLTC4.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>L&amp;H Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>VA - Act Memo - Revised Rates GLTC4.pdf VA - All GLTC4 Rate Increase.pdf</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>L&amp;H Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>VA - Act Memo - Revised Rates GLTC4.pdf VA GLTC-4) LTC Rate Summary - 7-1-2019.pdf</i>

<b>State:</b>	Virginia	<b>Filing Company:</b>	The Prudential Insurance Company of America
<b>TOI/Sub-TOI:</b>	LTC03G Group Long Term Care/LTC03G.001 Qualified		
<b>Product Name:</b>	Group Long Term Care Insurance		
<b>Project Name/Number:</b>	GLTC-4 Re-Rate/7G-2018		

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	L&H Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	VA - All GLTC4 Rate Increase.pdf VA Act Memo - Revised Rates GLTC4.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>L&amp;H Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>VA - Act Memo - Revised Rates GLTC4.pdf VA - All GLTC4 Rate Increase.pdf</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>L&amp;H Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>VA - Act Memo - Revised Rates GLTC4.pdf VA GLTC-4) LTC Rate Summary - 7-1-2019.pdf</i>
<b>Satisfied - Item:</b>	Letter of Response - 6-18-2020
<b>Comments:</b>	
<b>Attachment(s):</b>	VA - Letter of Response (GLTC4) - 6-18-2020.pdf

<b>State:</b>	Virginia	<b>Filing Company:</b>	The Prudential Insurance Company of America
<b>TOI/Sub-TOI:</b>	LTC03G Group Long Term Care/LTC03G.001 Qualified		
<b>Product Name:</b>	Group Long Term Care Insurance		
<b>Project Name/Number:</b>	GLTC-4 Re-Rate/7G-2018		

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	L&H Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	VA - All GLTC4 Rate Increase.pdf VA Act Memo - Revised Rates GLTC4.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>L&amp;H Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>VA - Act Memo - Revised Rates GLTC4.pdf VA - All GLTC4 Rate Increase.pdf</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>L&amp;H Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>VA - Act Memo - Revised Rates GLTC4.pdf VA GLTC-4) LTC Rate Summary - 7-1-2019.pdf</i>

<b>Satisfied - Item:</b>	Letter of Response - 6-18-2020
<b>Comments:</b>	
<b>Attachment(s):</b>	VA - Letter of Response (GLTC4) - 6-18-2020.pdf

<b>Satisfied - Item:</b>	GLTC4 Rate Increase History
<b>Comments:</b>	
<b>Attachment(s):</b>	GLTC4 Rate Increase History.pdf

### Response 8

#### Comments:

Please refer to the letter of response from our Actuary, Ms. Ritu Jain. The letter of response can be referenced on the Supporting Documentation Tab of this filing.

### Related Objection 8

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please state the lifetime loss ratio anticipated in the original filing.

### Changed Items:



<b>State:</b>	Virginia	<b>Filing Company:</b>	The Prudential Insurance Company of America
<b>TOI/Sub-TOI:</b>	LTC03G Group Long Term Care/LTC03G.001 Qualified		
<b>Product Name:</b>	Group Long Term Care Insurance		
<b>Project Name/Number:</b>	GLTC-4 Re-Rate/7G-2018		

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	L&H Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	VA - All GLTC4 Rate Increase.pdf VA Act Memo - Revised Rates GLTC4.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>L&amp;H Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>VA - Act Memo - Revised Rates GLTC4.pdf VA - All GLTC4 Rate Increase.pdf</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>L&amp;H Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>VA - Act Memo - Revised Rates GLTC4.pdf VA GLTC-4) LTC Rate Summary - 7-1-2019.pdf</i>

<b>State:</b>	Virginia	<b>Filing Company:</b>	The Prudential Insurance Company of America
<b>TOI/Sub-TOI:</b>	LTC03G Group Long Term Care/LTC03G.001 Qualified		
<b>Product Name:</b>	Group Long Term Care Insurance		
<b>Project Name/Number:</b>	GLTC-4 Re-Rate/7G-2018		

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	L&H Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	VA - All GLTC4 Rate Increase.pdf VA Act Memo - Revised Rates GLTC4.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>L&amp;H Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>VA - Act Memo - Revised Rates GLTC4.pdf VA - All GLTC4 Rate Increase.pdf</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>L&amp;H Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>VA - Act Memo - Revised Rates GLTC4.pdf VA GLTC-4) LTC Rate Summary - 7-1-2019.pdf</i>

<b>Satisfied - Item:</b>	Letter of Response - 6-18-2020
<b>Comments:</b>	
<b>Attachment(s):</b>	VA - Letter of Response (GLTC4) - 6-18-2020.pdf

**Conclusion:**

We trust this information satisfies the Department's concerns. Should you be in need of any additional information, please do not hesitate to reach out to me. Thanks! -  
Rae

Raenonna L. Prince, CLTC, LTCP  
Lead Analyst  
The Prudential Insurance Company of America  
2101 Welsh Road, LTC Unit  
Dresher, PA 19025  
Voice: 215-658-6281| Cell: 215-990-7186  
Fax: 888-294-6332  
E-Mail: Raenonna.prince@prudential.com

Sincerely,  
Raenonna Prince

<b>SERFF Tracking #:</b>	PRUD-131998699	<b>State Tracking #:</b>	PRUD-131998699	<b>Company Tracking #:</b>	IIGHGLTC4RATE-RP-VA
<b>State:</b>	Virginia	<b>Filing Company:</b>	The Prudential Insurance Company of America		
<b>TOI/Sub-TOI:</b>	LTC03G Group Long Term Care/LTC03G.001 Qualified				
<b>Product Name:</b>	Group Long Term Care Insurance				
<b>Project Name/Number:</b>	GLTC-4 Re-Rate/7G-2018				

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	05/07/2020
Submitted Date	05/07/2020

Dear Bobby Toone,

### Introduction:

Thank you for your review of the above referenced filing material.

### Response 1

#### Comments:

Please refer to the letter of response from our Actuary, Mr. Arun Paul. The letter of response can be referenced on the Supporting Documentation Tab of this filing.

### Related Objection 1

Applies To:

- Long Term Care Insurance Rate Request Summary (Supporting Document)

Comments: The Long-Term Care Rate Request Summary states these policies were issued between 2009 and 2018.

1. How many policies were issued after 09/01/2015
2. Any policies issued after 09/01/2015 are subject to the regulations found in 14VAC5-200-154. Please provide separate exhibits for any policies issued after 09/01/2015 in compliance with 14VAC5-200-154.

### Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	Letter of Response - 5-7-2020
<b>Comments:</b>	
<b>Attachment(s):</b>	VA - Letter of Response (GLTC4) - 5-7-2020.pdf

### Conclusion:

<b>SERFF Tracking #:</b>	PRUD-131998699	<b>State Tracking #:</b>	PRUD-131998699	<b>Company Tracking #:</b>	IIGHGLTC4RATE-RP-VA
<hr/>					
<b>State:</b>	Virginia	<b>Filing Company:</b>	The Prudential Insurance Company of America		
<b>TOI/Sub-TOI:</b>	LTC03G Group Long Term Care/LTC03G.001 Qualified				
<b>Product Name:</b>	Group Long Term Care Insurance				
<b>Project Name/Number:</b>	GLTC-4 Re-Rate/7G-2018				

We trust this information satisfies the Department's concerns. Should you be in need of any additional information, please do not hesitate to contact me. Thank you. -  
Rae

Raenonna L. Prince, CLTC, LTCP  
Lead Analyst  
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2101 Welsh Road, LTC Unit  
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Voice: 215-658-6281| Cell: 215-990-7186  
Fax: 888-294-6332  
E-Mail: Raenonna.prince@prudential.com  
Sincerely,  
Raenonna Prince

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**State:** Virginia **Filing Company:** The Prudential Insurance Company of America  
**TOI/Sub-TOI:** LTC03G Group Long Term Care/LTC03G.001 Qualified  
**Product Name:** Group Long Term Care Insurance  
**Project Name/Number:** GLTC-4 Re-Rate/7G-2018

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## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	02/04/2020
Submitted Date	02/04/2020

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Dear Bobby Toone,

### **Introduction:**

Thank you for your review of the above referenced filing material.

### **Response 1**

#### **Comments:**

Please be advised that there were no policies issued on or after 9/1/2015 for this block of business.

### **Related Objection 1**

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please specify if any of these policies were issued after 09/01/2015. Policies issued after 09/01/2015 are subject to the regulations in 14VAC5-200-154 and should be shown separately from policies issued prior to that date.

### **Changed Items:**

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

No Supporting Documents changed.

### **Response 2**

#### **Comments:**

As discussed earlier today during our telephone conversation the Appendices you reference above can be located in the "All GLTC4 Rate Increase" document. This document can be referenced with the Actuarial Memorandum material located on the Supporting Documentation Tab of this filing.

### **Related Objection 2**

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: The Actuarial Memorandum refers to several appendices (A, B, C, D, E, and F). The only one found was Appendix C. Please submit the missing appendices.

### **Changed Items:**

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

No Supporting Documents changed.

### **Conclusion:**

PDF Pipeline for SERFF Tracking Number PRUD-131998699 Generated 03/31/2022 12:11 AM

<b>SERFF Tracking #:</b>	PRUD-131998699	<b>State Tracking #:</b>	PRUD-131998699	<b>Company Tracking #:</b>	IIGHGLTC4RATE-RP-VA
<b>State:</b>	Virginia	<b>Filing Company:</b>	The Prudential Insurance Company of America		
<b>TOI/Sub-TOI:</b>	LTC03G Group Long Term Care/LTC03G.001 Qualified				
<b>Product Name:</b>	Group Long Term Care Insurance				
<b>Project Name/Number:</b>	GLTC-4 Re-Rate/7G-2018				

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	12/05/2019
Submitted Date	12/05/2019

Dear Bobby Toone,

### Introduction:

Thank you for your review of the above referenced filing material.

### Response 1

#### Comments:

Please refer to the letter of response and additional response material from our Actuary, Ms. Ritu Jain. The response material can be referenced on the Supporting Documentation Tab of this filing.

### Related Objection 1

Applies To:

- Long Term Care Insurance Rate Request Summary (Supporting Document)

Comments: Please complete the Rate Request Summary by attaching the required narrative to the form. The narrative should be fairly high level but at least explain to the consumer, in user-friendly language the assumptions and changes that are driving the need for an increase.

### Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	Long Term Care Insurance Rate Request Summary
<b>Comments:</b>	
<b>Attachment(s):</b>	VA GLTC-4) LTC Rate Summary - 7-1-2019.pdf VA - LTC Rate Summary Narrative (GLTC4) - 12-4-2019.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	Long Term Care Insurance Rate Request Summary
<b>Comments:</b>	
<b>Attachment(s):</b>	VA GLTC-4) LTC Rate Summary - 7-1-2019.pdf

<b>State:</b>	Virginia	<b>Filing Company:</b>	The Prudential Insurance Company of America
<b>TOI/Sub-TOI:</b>	LTC03G Group Long Term Care/LTC03G.001 Qualified		
<b>Product Name:</b>	Group Long Term Care Insurance		
<b>Project Name/Number:</b>	GLTC-4 Re-Rate/7G-2018		

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	Long Term Care Insurance Rate Request Summary
<b>Comments:</b>	
<b>Attachment(s):</b>	VA GLTC-4) LTC Rate Summary - 7-1-2019.pdf VA - LTC Rate Summary Narrative (GLTC4) - 12-4-2019.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Long Term Care Insurance Rate Request Summary</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>VA GLTC-4) LTC Rate Summary - 7-1-2019.pdf</i>
<b>Satisfied - Item:</b>	Letter of Response - 12-4-2019
<b>Comments:</b>	
<b>Attachment(s):</b>	VA - Letter of Response (GLTC4) - 12-4-2019.pdf

## Response 2

### Comments:

Please refer to the letter of response from our Actuary, Ms. Ritu Jain. The letter of response can be referenced on the Supporting Documentation Tab of this filing.

## Related Objection 2

Applies To:

- Appendix D - Rate Pages - (VA GLTC4), [83500 COV 5026] (Rate)

Comments: Please provide the Previous State Filing Number, as requested under the rate Action Information Section of the Rate/Rule Schedule. If this is the first requested rate increase, please provide the State Filing Number associated with the filing under which these forms were first submitted.

### Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	Letter of Response - 12-4-2019
<b>Comments:</b>	
<b>Attachment(s):</b>	VA - Letter of Response (GLTC4) - 12-4-2019.pdf



<b>State:</b>	Virginia	<b>Filing Company:</b>	The Prudential Insurance Company of America
<b>TOI/Sub-TOI:</b>	LTC03G Group Long Term Care/LTC03G.001 Qualified		
<b>Product Name:</b>	Group Long Term Care Insurance		
<b>Project Name/Number:</b>	GLTC-4 Re-Rate/7G-2018		

**Conclusion:**

We trust this information satisfies the Department's concerns. Should you be in need of any additional information, please do not hesitate to contact me. Thank you. -  
Rae

Raenonna L. Prince, CLTC, LTCP  
Lead Analyst  
The Prudential Insurance Company of America  
2101 Welsh Road, LTC Unit  
Dresher, PA 19025  
Voice: 215-658-6281| Cell: 215-990-7186  
Fax: 888-294-6332  
E-Mail: Raenonna.prince@prudential.com

Sincerely,  
Raenonna Prince

<b>State:</b>	Virginia	<b>Filing Company:</b>	The Prudential Insurance Company of America
<b>TOI/Sub-TOI:</b>	LTC03G Group Long Term Care/LTC03G.001 Qualified		
<b>Product Name:</b>	Group Long Term Care Insurance		
<b>Project Name/Number:</b>	GLTC-4 Re-Rate/7G-2018		

## Amendment Letter

Submitted Date: 06/18/2020

Comments:

Please refer to the Model Formulas document attached to the Supporting Documentation Tab of this filing.

Changed Items:

*No Form Schedule Items Changed.*

*No Rate Schedule Items Changed.*

Supporting Document Schedule Item Changes	
Satisfied - Item:	Model Formulas
Comments:	
Attachment(s):	Model Formulas.pdf

<b>SERFF Tracking #:</b>	PRUD-131998699	<b>State Tracking #:</b>	PRUD-131998699	<b>Company Tracking #:</b>	IIGHGLTC4RATE-RP-VA
<hr/>					
<b>State:</b>	Virginia	<b>Filing Company:</b>	The Prudential Insurance Company of America		
<b>TOI/Sub-TOI:</b>	LTC03G Group Long Term Care/LTC03G.001 Qualified				
<b>Product Name:</b>	Group Long Term Care Insurance				
<b>Project Name/Number:</b>	GLTC-4 Re-Rate/7G-2018				

## Amendment Letter

Submitted Date: 02/04/2020

Comments:

Mr. Toone:

As a follow-up to our telephone conversation this afternoon, I have revised the "Certificateholder Advanced Notification Letter Package" section on the Supporting Documentation Tab to reflect that the Department previously reviewed and "filed" the Notification Package.

We trust this information satisfies the Department's concerns. Should you be in need of any additional information, please do not hesitate to contact me. Thank you! - Rae

Raenonna L. Prince, CLTC, LTCP  
Lead Analyst  
The Prudential Insurance Company of America  
2101 Welsh Road, LTC Unit  
Dresher, PA 19025  
Voice: 215-658-6281| Cell: 215-990-7186  
Fax: 888-294-6332  
E-Mail: Raenonna.prince@ prudential.com

Changed Items:

*No Form Schedule Items Changed.*

*No Rate Schedule Items Changed.*

<b>State:</b>	Virginia	<b>Filing Company:</b>	The Prudential Insurance Company of America
<b>TOI/Sub-TOI:</b>	LTC03G Group Long Term Care/LTC03G.001 Qualified		
<b>Product Name:</b>	Group Long Term Care Insurance		
<b>Project Name/Number:</b>	GLTC-4 Re-Rate/7G-2018		

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	VA - Certificateholder Advanced Notification Letter Package
<b>Comments:</b>	Please be advised that the Advanced Notification Package was previously reviewed and filed by Department on June 5, 2019, under SERFF Filing Number PRUD-129708969.
<b>Attachment(s):</b>	GRP 115128 - VA Advanced Notification Letter - 2-2019.pdf GRP 115279 - Frequently Asked Questions - 9-2018.pdf Manual of Variable Language - File Copy - 3-4-2019.pdf GRP 115125 - VA Endorsement - 9-2018.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>VA - Certificateholder Advanced Notification Letter Package</i>
<b>Comments:</b>	<i>Please be advised that the Advanced Notification Package was previously reviewed and approved by Department on June 5, 2019, under SERFF Filing Number PRUD-129708969.</i>
<b>Attachment(s):</b>	<i>GRP 115128 - VA Advanced Notification Letter - 2-2019.pdf GRP 115279 - Frequently Asked Questions - 9-2018.pdf Manual of Variable Language - File Copy - 3-4-2019.pdf GRP 115125 - VA Endorsement - 9-2018.pdf</i>

<b>SERFF Tracking #:</b>	PRUD-131998699	<b>State Tracking #:</b>	PRUD-131998699	<b>Company Tracking #:</b>	IIGHGLTC4RATE-RP-VA
<b>State:</b>	Virginia	<b>Filing Company:</b>	The Prudential Insurance Company of America		
<b>TOI/Sub-TOI:</b>	LTC03G Group Long Term Care/LTC03G.001 Qualified				
<b>Product Name:</b>	Group Long Term Care Insurance				
<b>Project Name/Number:</b>	GLTC-4 Re-Rate/7G-2018				

## Amendment Letter

Submitted Date: 02/04/2020

Comments:

Please refer VA - All GLTC4 Rate Increase document attached to the Supporting Documentation of this filing. This document contains the Appendices referenced in the Actuarial Memorandum that you could not locate.

Should you be in need of any additional information, please do not hesitate to contact me. Thank you. -Rae

Raenonna L. Prince, CLTC, LTCP  
Lead Analyst  
The Prudential Insurance Company of America  
2101 Welsh Road, LTC Unit  
Dresher, PA 19025  
Voice: 215-658-6281| Cell: 215-990-7186  
Fax: 888-294-6332  
E-Mail: Raenonna.prince@ prudential.com

Changed Items:

*No Form Schedule Items Changed.*

*No Rate Schedule Items Changed.*

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	L&H Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	VA - Act Memo - Revised Rates GLTC4.pdf VA - All GLTC4 Rate Increase.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>L&amp;H Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>VA - Act Memo - Revised Rates GLTC4.pdf VA GLTC-4) LTC Rate Summary - 7-1-2019.pdf</i>

<b>SERFF Tracking #:</b>	PRUD-131998699	<b>State Tracking #:</b>	PRUD-131998699	<b>Company Tracking #:</b>	IIGHGLTC4RATE-RP-VA
<b>State:</b>	Virginia	<b>Filing Company:</b>	The Prudential Insurance Company of America		
<b>TOI/Sub-TOI:</b>	LTC03G Group Long Term Care/LTC03G.001 Qualified				
<b>Product Name:</b>	Group Long Term Care Insurance				
<b>Project Name/Number:</b>	GLTC-4 Re-Rate/7G-2018				

**State:** Virginia **Filing Company:** The Prudential Insurance Company of America  
**TOI/Sub-TOI:** LTC03G Group Long Term Care/LTC03G.001 Qualified  
**Product Name:** Group Long Term Care Insurance  
**Project Name/Number:** GLTC-4 Re-Rate/7G-2018

## Reviewer Note

**Created By:**

Bobby Toone on 02/17/2021 01:22 PM

**Last Edited By:**

Bobby Toone

## Submitted On:

02/17/2021 01:29 PM

**Subject:**

Actuarial Opinion and Final Report

**Comments:**

Rec'd Final Report - 2/17/2021

Recommend Approval

JOHN T. CONDO, FSA, MAAA, PHD  
ROBERT B. CROMPTON, FSA, MAAA  
DAVID E. NEVE, FSA, MAAA, CERA  
CANDE OLSEN, FSA, MAAA, CLU



SHAWN D. PARKS, FSA, MAAA  
NAZNEE RIAS, FSA, MAAA, CERA  
NICOLE L. RUSSO, ASA, MAAA  
LORNE W. SCHINBEIN, FSA, MAAA

February 17, 2021

Life and Health Division  
Bureau of Insurance  
State Corporation Commission  
P. O. Box 1157  
Richmond, VA 23218

Subject: **SERFF Tracking #PRUD-131998699**

At the request of the Virginia SCC Bureau of Insurance (the “Bureau”), I have reviewed the filing for the above captioned submission from **The Prudential Insurance Company of America** (the “Company”). This is a filing of revised premium rates for a block of group Long Term Care Insurance plans.

### **Regulatory Recommendation**

My review of this filing was performed according to the provisions of 14VAC5-200-153. Applicable Actuarial Standards of Practice were considered, including Actuarial Standard of Practice No. 18, “Long-Term Care Insurance” and Actuarial Standard of Practice No. 8, “Regulatory Filings for Rates and Financial Projections for Health Plans”. After review of the Company’s submission, I believe that the Company has demonstrated that the full amount of their requested increase is in compliance with 14VAC5-200-153. Considering only the requirements of the applicable regulations, I would recommend the Bureau approve the Company’s request of 10%.

### **Other Extra-Regulatory Considerations**

In addition to the regulatory analysis referenced above, I have reviewed a series of extra-regulatory tests that the Bureau considers for LTC rate filings. The maximum rate increase allowed under each of those tests is shown in the chart below:

Compliant Increase under 14VAC5-200-153	22%
<b>Additional Test</b>	<b>Max Allowed</b>
PV Future Loss	32%
Prospective PV	51%
If-Knew/Makeup	20%
State Equity	9%





## Background

The Company submitted a rate increase request of 10.0% for this block of business. These post-stability policy forms were issued in Virginia from 2010 through 2014 and, as of 6/30/2018, there were 2,358 policyholders in force with \$3.5M of annualized premium. No previous increases have been approved in Virginia.

## Methodology

My approach was to a) review the filing materials, b) check the filing contents and assumptions for compliance with all relevant regulations, c) verify the calculations in the supplied exhibits, and d) review the assumptions and projections for reasonableness.

## Analysis

### Assumptions

The assumptions are consistent with cash flow testing assumptions.

The Company utilized an interest rate of 4.0%, the predominant valuation interest rate during the issue period, for discounting in all projections.

### *Mortality*

The assumption is based on the 2012 IAM Basic Table with selection factors and 20 years of mortality improvement. The A/E is 99% in total.

### *Voluntary Lapse*

The ultimate lapse rate assumption is 0.60% for voluntary and 4.5% for employer-paid. Additionally, a shock lapse of 2.8% is assumed due to the rate increase.

### *Morbidity*

The current morbidity assumption is based on Company experience and judgment in conjunction with the 2104 Milliman LTCGs with no adjustment for adverse selection.

The Actual-to-Expected ratio for claim costs is 100% for these policy forms.

The incidence assumptions are based on 6,230 claims nationwide. Based on the formula recommended by the American Academy of Actuaries (“AAA”) in a Long-term Care Credibility Monograph issued in August 2016 sets 3,246 claims as the standard for full credibility. Therefore, the credibility for the Company experience is 100%.

### Loss Ratio Testing

The results below show the results of the loss ratio projections.

Segment	Original LR	No Increase Future*    Lifetime	With Increase Future*    Lifetime	From Inception
All	79.4%	141%    89%	129%    84%	82%

\* after deducting ALR



This post-stability business is subject to the 79.4/85 Test.

Segment	Test	Required Claims	Projected Claims	PASS/ FAIL	Allowed
All	79.4/85	1,248M	1,326M	PASS	22%

Present Value of Future Loss Test

Segment	Original	Current	Proposed	Allowed
All	-88M	-365M	-279M	32%

Prospective PV (Texas Method)

The allowable increase based on this method is 50.9%. Details are shown in “VA GLTC4 PPV Approach.xlsx” submitted by the Company.

If-Knew/Makeup Blend (Minnesota Method)

The allowable increase based on this method is 20.3%. Details are shown in “VA GLTC4 If Knew Blended Approach.xlsx” submitted by the Company.

State Rate Equity

Segment	VA Curr	VA Prop	NW Curr	NW Prop
All	0.0%	10.0%	8.5%	8.5%

## Reliance and Qualifications

I am providing this letter to the Bureau as the sole intended user. The scope of the review relates only to compliance with applicable laws and regulations relating to the actuarial aspects of the filing under consideration, and the intended purpose is to communicate my findings regarding this filing. Distribution of this letter to parties other than the Bureau by me or any other party does not constitute advice by me to those parties. The reliance of parties other than the Bureau on any aspect of this work is not authorized by me and is done at their own risk.

In arriving at my opinion, I used and relied on information provided by the Company and the Bureau without independent investigation or verification. If this information is inaccurate, incomplete, or out of date, my findings and conclusions may need to be revised. While I have relied on the data provided without independent investigation or verification, I have reviewed the data for consistency and reasonableness. In the event that I found the data inconsistent or unreasonable, I have requested clarification.

I am a member of the American Academy of Actuaries and meet that body's Qualification Standards to render this opinion. I am responsible for this work and have utilized generally accepted actuarial methodologies in arriving at my opinion.



If you have any questions regarding this filing, please contact me for discussion.

Sincerely,

Shawn D. Parks, FSA, MAAA

**State:** Virginia **Filing Company:** The Prudential Insurance Company of America  
**TOI/Sub-TOI:** LTC03G Group Long Term Care/LTC03G.001 Qualified  
**Product Name:** Group Long Term Care Insurance  
**Project Name/Number:** GLTC-4 Re-Rate/7G-2018

## Reviewer Note

**Created By:**

Bobby Toone on 04/13/2020 03:59 PM

**Last Edited By:**

Bobby Toone

## Submitted On:

03/29/2022 04:24 PM

**Subject:**

RRS

**Comments:**

RRS1

RRS2

**Long Term Care Insurance Rate Request Summary**  
**Part 1 – To Be Completed By Company**

**Company Name and NAIC Number:** The Prudential Insurance Company of America - 304-68241

**SERFF Tracking Number:** PRUD-131998699

**Revised Rates**

**Average Annual Premium Per Member:** 10%

**Average Requested Percentage Rate Change Per Member:** 10%

**Range of Requested Rate Changes:** 10%

**Number of Virginia Policyholders Affected:** 2358

Form Number	Product Name	Issue Dates	Prior Rate Increases – Date and Percentage Approved	Outlook for Future Rate Increases
83500 COV 5026	GLTC-4	2009 - 2018	N/A	Future Rate Increases are possible

**Attach a narrative to summarize the key information used to develop the rates including the main drivers for the revised rates.**

This document is prepared by the carrier to help explain the requested rate change and is only a summary of the company's request. It is not intended to describe or include all factors or information considered in the review process. For more detailed information, please refer to the complete filing at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. (Rev. 06/19)

Some of Prudential's pricing assumptions for this series of forms, although based on the best information then available, were not consistent with our emerging experience. In view of this, we are requesting a total rate increase of 10% for the series of forms 83500 COV 5026 in the state of Virginia. This same increase is also being requested nationwide on comparable forms. It impacts a broad group of long term care insurance customers and is not based on any individual's personal factors, such as health status or claim history.

Prudential determined that a premium rate increase was necessary after thoroughly evaluating the factors that impact premium rates, including assumptions we make about the amount of claims we expect to pay, the life expectancy of our insureds, the number of insureds who will lapse their coverage over the life of the coverage, and prevailing interest rates.

After conducting an extensive review of our actual experience concerning each of these factors, Prudential determined that a premium increase is needed to help ensure that future premiums, in combination with existing reserves, will be adequate to fund anticipated claims.

## **Long Term Care Insurance Rate Request Summary Part 2 –To Be Completed by Bureau of Insurance**

Company Name: The Prudential Insurance Co. of America

NAIC Code: 68241

SERFF Tracking Number: PRUD-131998699

Disposition: Approved

Approval Date: 3/29/2022

Revised Rates

Average Annual Premium Per Member: \$1,636

Average Requested Percentage Rate Change Per Member: 10.00%

Minimum Requested Percentage Rate Change Per Member: 10.00%

Maximum Requested Percentage Rate Change Per Member: 10.00%

Number of Policy Holders Affected: 2,358

### **Summary of the Bureau of Insurance's review of the rate request:**

The Company originally requested a rate increase of 10.0% for this block of individual long-term care insurance policy forms. After discussion with the Bureau, the full increase was approved.

The filing was reviewed by the Bureau's consulting actuary and determined to comply with the requirements for a rate increase set forth in 14VAC5-200-153 of the Virginia Administrative Code for policies issued on or after October 1, 2003. The review indicated that the anticipated loss ratio, reflecting claims payout, will be 84.0% with the increase, which exceeds the minimum required loss ratio.

The Company has advised that no further rate increases are anticipated, if the requested rate increase is implemented and the underlying assumptions, which reflect moderately adverse conditions, are realized.

The primary reasons for the rate increase are that policyholders are living longer and keeping their policies in force longer, which has resulted in more claims being filed than the Company anticipated when the policy was originally priced. The Company determined that a premium increase is necessary to reflect that future claims are expected to be significantly higher on these policies than originally expected or priced and to ensure that sufficient funds are available to pay claims.

The Company is offering all policyholders options to reduce the premium increase by reducing their coverage. These reductions could be in the form of lower daily benefits, a shorter benefit period, a longer elimination period, the termination of riders or any combination of these reductions, or a paid-up policy. Specific options are included in the letter sent to all policyholders notifying them of the rate increase and can be discussed with the Company by calling its customer service department.

The filing can be reviewed on the Bureau's webpage under the Rate/Policy Form Search at:  
<https://scc.virginia.gov/boi/SERFFInquiry/LtcFilings.aspx>



SERFF Tracking #:

PRUD-131998699

State Tracking #:

PRUD-131998699

Company Tracking #:

IIGHGLTC4RATE-RP-VA

State: Virginia

Filing Company:

The Prudential Insurance Company of America

TOI/Sub-TOI: LTC03G Group Long Term Care/LTC03G.001 Qualified

Product Name: Group Long Term Care Insurance

Project Name/Number: GLTC-4 Re-Rate/7G-2018

## Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Appendix D - 83500 COV 5026 - Base Policy Rate Pages -	83500 COV 5026	Revised	Previous State Filing Number: N/A Percent Rate Change Request: 10	Appendix D - 83500 COV 5026 - Base Policy Rate Pages (VA GLTC4).pdf,
2		Appendix D - Automatic Compound Inflation Rate Pages	83500 LTC T 5139	Revised	Previous State Filing Number: N/A Percent Rate Change Request: 10	Appendix D - 83500 LTC T 5139 - Automatic Compound Inflation Rate Pages (VA GLTC4).pdf,
3		Appendix D - Automatic Compound Inflation w/ Cap Rate Pages	83500 LTC T 5140	Revised	Previous State Filing Number: N/A Percent Rate Change Request: 10	Appendix D - 83500 LTC T 5140 - Automatic Compound Inflation with Cap Rate Pages (VA GLTC4).pdf,
4		Appendix D - Automatic Simple Inflation Rate Pages	83500 LTC T 5141	Revised	Previous State Filing Number: N/A Percent Rate Change Request: 10	Appendix D - 83500 LTC T 5141 - Automatic Simple Inflation Rate Pages (VA GLTC4).pdf,
5		Appendix D - GPO Rate Pages	83500 LTC T 5142	Revised	Previous State Filing Number: N/A Percent Rate Change Request: 10	Appendix D - 83500 LTC T 5142 - GPO Rate Pages (VA GLTC4).pdf,

Appendix D  
The Prudential Insurance Company of America  
Group Long Term Care Insurance Plan  
Base Rates and Adjustment Factors  
83500 COV 5026

Page 1 of 15

Virginia Rates Before Adjustments					
Gross Monthly Premium Per \$100.00 of Facility Care Daily Benefit					
Home Care Daily Benefit: 50% of Facility Care Daily Benefit					
\$1,825 x Daily Benefit Lifetime Maximum Benefit (5 Year Benefit Period)					
90-Day Elimination Period					
Lifetime Pay					
Issue Age	No Inflation				
18-30	\$ 8.95				
31	9.38				
32	9.83				
33	10.31				
34	10.80				
35	11.32				
36	11.86				
37	12.42				
38	13.01				
39	13.63				
40	14.26				
41	15.21				
42	16.24				
43	17.33				
44	18.48				
45	19.71				
46	21.03				
47	22.44				
48	23.95				
49	25.55				
50	27.26				
51	29.29				
52	31.47				
53	33.81				
54	36.33				
55	39.04				
56	41.95				
57	45.08				
58	48.43				
59	52.04				
60	55.94				
61	61.08				
62	66.70				
63	72.84				
64	79.54				
65	86.85				
66	93.97				
67	101.68				
68	110.03				
69	119.06				
70	128.83				
71	141.36				
72	155.11				
73	170.20				
74	186.76				
75	204.94				
76	228.87				
77	255.59				
78	285.42				
79	318.74				
80	355.95				
81	397.19				
82	443.20				
83	494.55				
84	551.84				

Appendix D  
The Prudential Insurance Company of America  
Group Long Term Care Insurance Plan  
Base Rates and Adjustment Factors  
83500 COV 5026

Page 2 of 15

Virginia Rates Before Adjustments					
Gross Monthly Premium Per \$100.00 of Facility Care Daily Benefit					
Home Care Daily Benefit: 75% of Facility Care Daily Benefit					
\$1,825 x Daily Benefit Lifetime Maximum Benefit (5 Year Benefit Period)					
90-Day Elimination Period					
Lifetime Pay					
Issue Age	No Inflation				
18-30	\$ 9.88				
31	10.36				
32	10.87				
33	11.40				
34	11.95				
35	12.53				
36	13.13				
37	13.77				
38	14.44				
39	15.15				
40	15.88				
41	16.95				
42	18.10				
43	19.32				
44	20.61				
45	22.00				
46	23.47				
47	25.05				
48	26.73				
49	28.52				
50	30.45				
51	32.68				
52	35.08				
53	37.65				
54	40.41				
55	43.37				
56	46.55				
57	49.96				
58	53.63				
59	57.55				
60	61.73				
61	67.22				
62	73.19				
63	79.70				
64	86.78				
65	94.49				
66	102.05				
67	110.21				
68	119.02				
69	128.55				
70	138.83				
71	152.04				
72	166.52				
73	182.37				
74	199.73				
75	218.75				
76	243.56				
77	271.19				
78	301.96				
79	336.23				
80	374.39				
81	416.69				
82	463.78				
83	516.20				
84	574.53				

Appendix D  
The Prudential Insurance Company of America  
Group Long Term Care Insurance Plan  
Base Rates and Adjustment Factors  
83500 COV 5026

Page 3 of 15

Virginia Rates Before Adjustments					
Gross Monthly Premium Per \$100.00 of Facility Care Daily Benefit					
Home Care Daily Benefit: 100% of Facility Care Daily Benefit					
\$1,825 x Daily Benefit Lifetime Maximum Benefit (5 Year Benefit Period)					
90-Day Elimination Period					
Lifetime Pay					
Issue Age	No Inflation				
18-30	\$ 10.89				
31	11.43				
32	12.00				
33	12.60				
34	13.22				
35	13.88				
36	14.58				
37	15.30				
38	16.06				
39	16.86				
40	17.70				
41	18.90				
42	20.17				
43	21.54				
44	22.99				
45	24.54				
46	26.20				
47	27.97				
48	29.87				
49	31.88				
50	34.01				
51	36.45				
52	39.07				
53	41.88				
54	44.89				
55	48.11				
56	51.58				
57	55.29				
58	59.26				
59	63.51				
60	68.11				
61	73.95				
62	80.30				
63	87.20				
64	94.68				
65	102.81				
66	110.81				
67	119.45				
68	128.76				
69	138.79				
70	149.60				
71	163.53				
72	178.75				
73	195.39				
74	213.59				
75	233.48				
76	259.20				
77	287.77				
78	319.48				
79	354.70				
80	393.79				
81	437.17				
82	485.34				
83	538.81				
84	598.18				

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<b>Virginia Rates Before Adjustments</b> <b>Gross Monthly Premium Per \$100.00 of Facility Care Daily Benefit</b> <b>Home Care Daily Benefit: 50% of Facility Care Daily Benefit</b> <b>\$1,825 x Daily Benefit Lifetime Maximum Benefit (5 Year Benefit Period)</b> <b>90-Day Elimination Period</b> <b>10-year Paid Up</b>				
<b>Issue Age</b>	<b>No Inflation</b>			
40	\$ 72.60			
41	74.73			
42	76.93			
43	79.20			
44	81.53			
45	83.93			
46	86.39			
47	88.94			
48	91.55			
49	94.25			
50	97.02			
51	100.18			
52	103.43			
53	106.80			
54	110.28			
55	113.86			
56	117.57			
57	121.40			
58	125.35			
59	129.43			
60	133.65			
61	140.05			
62	146.76			
63	153.79			
64	161.15			
65	168.86			
66	182.72			
67	197.71			
68	213.94			
69	231.50			
70	250.49			
71	273.05			
72	297.65			
73	324.46			
74	353.68			
75	385.54			

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Issue Age	No Inflation			
40	\$ 80.89			
41	83.29			
42	85.77			
43	88.31			
44	90.93			
45	93.62			
46	96.40			
47	99.26			
48	102.21			
49	105.25			
50	108.38			
51	111.77			
52	115.27			
53	118.88			
54	122.60			
55	126.43			
56	130.39			
57	134.48			
58	138.68			
59	143.01			
60	147.49			
61	154.11			
62	161.03			
63	168.27			
64	175.82			
65	183.73			
66	198.43			
67	214.30			
68	231.44			
69	249.95			
70	269.95			
71	293.70			
72	319.54			
73	347.64			
74	378.22			
75	411.50			

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<b>Issue Age</b>	<b>No Inflation</b>			
40	\$ 90.15			
41	92.84			
42	95.61			
43	98.47			
44	101.42			
45	104.46			
46	107.58			
47	110.80			
48	114.11			
49	117.52			
50	121.04			
51	124.69			
52	128.44			
53	132.30			
54	136.27			
55	140.36			
56	144.57			
57	148.92			
58	153.40			
59	158.00			
60	162.76			
61	169.59			
62	176.70			
63	184.12			
64	191.85			
65	199.90			
66	215.48			
67	232.27			
68	250.36			
69	269.86			
70	290.90			
71	315.89			
72	343.02			
73	372.49			
74	404.49			
75	439.22			

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Gross Monthly Premium Per \$100.00 of Facility Care Daily Benefit				
Home Care Daily Benefit: 50% of Facility Care Daily Benefit				
\$1,825 x Daily Benefit Lifetime Maximum Benefit (5 Year Benefit Period)				
90-Day Elimination Period				
Paid Up at Age 65				
Issue Age	No Inflation			
18-30	\$ 32.56			
31	33.72			
32	34.91			
33	36.16			
34	37.44			
35	38.78			
36	40.16			
37	41.59			
38	43.08			
39	44.61			
40	46.20			
41	48.86			
42	51.68			
43	54.65			
44	57.79			
45	61.12			
46	64.64			
47	68.35			
48	72.29			
49	76.45			
50	80.85			
51	86.58			
52	92.72			
53	99.29			
54	106.33			
55	113.86			

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Home Care Daily Benefit: 75% of Facility Care Daily Benefit				
\$1,825 x Daily Benefit Lifetime Maximum Benefit (5 Year Benefit Period)				
90-Day Elimination Period				
Paid Up at Age 65				
Issue Age	No Inflation			
18-30	\$ 35.90			
31	37.22			
32	38.59			
33	40.01			
34	41.47			
35	42.99			
36	44.56			
37	46.20			
38	47.89			
39	49.65			
40	51.48			
41	54.46			
42	57.61			
43	60.94			
44	64.46			
45	68.19			
46	72.13			
47	76.30			
48	80.71			
49	85.37			
50	90.32			
51	96.60			
52	103.32			
53	110.52			
54	118.21			
55	126.43			

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Gross Monthly Premium Per \$100.00 of Facility Care Daily Benefit				
Home Care Daily Benefit: 100% of Facility Care Daily Benefit				
\$1,825 x Daily Benefit Lifetime Maximum Benefit (5 Year Benefit Period)				
90-Day Elimination Period				
Paid Up at Age 65				
Issue Age	No Inflation			
18-30	\$ 39.60			
31	41.10			
32	42.65			
33	44.25			
34	45.93			
35	47.66			
36	49.47			
37	51.34			
38	53.27			
39	55.29			
40	57.37			
41	60.70			
42	64.22			
43	67.95			
44	71.90			
45	76.07			
46	80.49			
47	85.16			
48	90.11			
49	95.35			
50	100.87			
51	107.76			
52	115.12			
53	122.98			
54	131.38			
55	140.36			

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Gross Monthly Premium Per \$100.00 of Facility Care Daily Benefit				
Home Care Daily Benefit: 50% of Facility Care Daily Benefit				
\$1,825 x Daily Benefit Lifetime Maximum Benefit (5 Year Benefit Period)				
90-Day Elimination Period				
Premium Reduction at Age 65				
Issue Age	No Inflation			
18-30	\$ 14.32			
31	15.00			
32	15.72			
33	16.47			
34	17.25			
35	18.07			
36	18.93			
37	19.83			
38	20.78			
39	21.77			
40	22.81			
41	24.37			
42	26.02			
43	27.78			
44	29.66			
45	31.67			
46	33.81			
47	36.11			
48	38.57			
49	41.18			
50	43.98			
51	47.45			
52	51.21			
53	55.25			
54	59.62			
55	64.33			
56	69.41			
57	74.89			
58	80.81			
59	87.19			
60	94.05			

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Gross Monthly Premium Per \$100.00 of Facility Care Daily Benefit				
Home Care Daily Benefit: 75% of Facility Care Daily Benefit				
\$1,825 x Daily Benefit Lifetime Maximum Benefit (5 Year Benefit Period)				
90-Day Elimination Period				
Premium Reduction at Age 65				
Issue Age	No Inflation			
18-30	\$ 15.80			
31	16.57			
32	17.37			
33	18.22			
34	19.11			
35	20.04			
36	21.02			
37	22.04			
38	23.12			
39	24.24			
40	25.41			
41	27.14			
42	28.99			
43	30.97			
44	33.08			
45	35.33			
46	37.74			
47	40.32			
48	43.07			
49	46.00			
50	49.14			
51	52.95			
52	57.07			
53	61.50			
54	66.28			
55	71.42			
56	76.97			
57	82.94			
58	89.38			
59	96.32			
60	103.79			

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<b>Issue Age</b>	<b>No Inflation</b>			
18-30	\$ 17.42			
31	18.29			
32	19.21			
33	20.16			
34	21.16			
35	22.22			
36	23.33			
37	24.50			
38	25.72			
39	26.99			
40	28.33			
41	30.26			
42	32.33			
43	34.54			
44	36.91			
45	39.42			
46	42.12			
47	45.00			
48	48.08			
49	51.37			
50	54.87			
51	59.06			
52	63.57			
53	68.42			
54	73.65			
55	79.27			
56	85.32			
57	91.83			
58	98.85			
59	106.39			
60	114.53			

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Adjustment Factors - Benefit Period	
Benefit Period (Years)	Premium Adjustment Factor
2	0.69
3	0.82
4	0.94
5	1.00
6	1.04
10	1.34
Lifetime	1.48

Adjustment Factors - Benefit waiting/Elimination Period	
Benefit waiting/elimination Period (days)	Premium Adjustment Factor
30	1.230
60	1.065
90	1.000
120	0.970
180	0.920
365	0.780

Adjustment Factors - Restoration of Benefits Riders	
Benefit Period (Years)	Restoration of Benefits
2	1.03
3	1.02
4	1.01
5	1.01
6	1.01
10	1.01
Lifetime	1.00

Adjustment Factors - Additional Rider	
Return of Premium	1.18
Shortened Benefit Period	1.11
Shared Waiver of Premium	1.03
Survivor Benefit	1.13

Adjustment Factors - to adjust ALF Benefit			
Home Health Percentage	Assisted Living Facility Benefit Percentage		
	50%	75%	100%
50%	1.00	1.03	1.06
75%	N/A	1.00	1.03
100%	N/A	N/A	1.00

Adjustment Factors - Death Benefit	
Death Benefit Type	Premium Adjustment Factor
None	1.000
Standard (100% to age 64)	1.035
Enhanced (100% to age 69)	1.050

\*Factor applies to issue ages less than 75 or 80 only for the Standard and Enhanced benefits, respectively.

Adjustment Factors - Cash Benefit Rider		
Home Health Percentage	Premium Adjustment Factor	
	Non-Automatic Inflation	Automatic Inflation
50%	1.35	1.39
75%	1.46	1.49
100%	1.56	1.64

Adjustment Factors - Flexible Cash Benefit Rider		
Home Health Percentage	Premium Adjustment Factor	
	Non-Automatic Inflation	Automatic Inflation
50%	1.175	1.195
75%	1.230	1.245
100%	1.280	1.320

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Adjustment Factors - Shared Care Rider	
Benefit Period (Years)	Premium Adjustment Factor
2	1.23
3	1.15
4	1.10
5	1.08
6	1.08
10	1.07

Adjustment Factors - Premium Payment Mode	
Premium Payment Mode	Adjustment Factor
Annual	11.40
Semi-Annual	5.90
Quarterly	3.00
Monthly	1.00

Adjustment Factors - Spouse Discounts			
Discount Applies to:	Premium Adjustment Factor		
	5% Discount	10% Discount	15% Discount
Any Married/Partnered Persons	1.030	1.055	1.090
Married Persons if Both Spouses/Partners Apply	1.020	1.045	1.080

Adjustment Factors - Frequency of Periodic Inflation Offer	
Frequency of Offer	Premium Adjustment Factor
Every Year	1.03
Every Two Years	1.01
Every Three Years	1.00

Adjustment Factors - Type of Medical Underwriting	
Underwriting	Premium Adjustment Factor*
Simplified Underwriting for Active Employee Spouses (ages<65), Guaranteed Issue for Employees, Full Medical Underwriting for all others	1.04
Simplified Underwriting for Active Employee and Spouses (ages <65), Full Medical Underwriting for all others	1.03
Guaranteed Issue for Active Employees, Full Medical Underwriting for all others	1.00
Simplified Underwriting for Active Employees and Full Medical Underwriting for all others	0.99
Full Medical Underwriting for all applicants	0.94**

Adjustment Factors - For Underwriting Judgement	
	Premium Adjustment Factor
Demographic-Based	.75 - 1.15

\* Adjustment factors only apply to issue ages less than 65

\*\* Does not apply for plans with an Unlimited benefit period

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Adjustment Factors - Core Coverage		
Issue Age	Premium Adjustment Factor Lifetime Pay	
	Non-Automatic	Automatic
<= 30	0.69	0.79
40	0.81	0.93
50	0.79	0.85
60	0.72	0.8
>= 65	1.00	1.00

Adjustment Factors - Core Business			
Issue Age	Premium Adjustment Factor		
	10-year Paid Up	Paid up at Age 65	Premium Reduction at Age 65
<= 30	N/A	0.74	0.70
40	0.94	0.85	0.90
50	0.98	1.00	1.05
60	0.96	N/A	1.05
65	1.08	N/A	N/A
70	1.08	N/A	N/A
75	1.09	N/A	N/A

Adjustment Factors - Commission Rate Variations	
Level Commission Rate*	Premium Adjustment Factor
0%	1.00
5%	1.05
10%	1.11
15%	1.18
20%	1.25

\*Or actuarially equivalent non-level commission schedules that comply with any applicable state requirements

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Home Care Daily Benefit: 50% of Facility Care Daily Benefit					
\$1,825 x Daily Benefit Lifetime Maximum Benefit (5 Year Benefit Period)					
90-Day Elimination Period					
Lifetime Pay					
Issue Age					5% Automatic Compound Inflation (no Maximum)
18-30					\$ 48.44
31					50.53
32					52.71
33					54.98
34					57.34
35					59.81
36					62.38
37					65.07
38					67.87
39					70.80
40					73.84
41					77.65
42					81.65
43					85.87
44					90.30
45					94.96
46					99.87
47					105.03
48					110.45
49					116.15
50					122.14
51					126.78
52					131.58
53					136.58
54					141.76
55					147.14
56					152.72
57					158.52
58					164.54
59					170.79
60					177.27
61					187.97
62					199.32
63					211.35
64					224.11
65					237.63
66					253.55
67					270.53
68					288.66
69					308.00
70					328.65
71					350.52
72					373.85
73					398.73
74					425.26
75					453.56
76					486.99
77					522.89
78					561.43
79					602.81
80					647.25
81					703.70
82					765.07
83					831.80
84					904.34

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Home Care Daily Benefit: 75% of Facility Care Daily Benefit					
\$1,825 x Daily Benefit Lifetime Maximum Benefit (5 Year Benefit Period)					
90-Day Elimination Period					
Lifetime Pay					
Issue Age					5% Automatic Compound Inflation (no Maximum)
18-30					\$ 53.68
31					55.97
32					58.36
33					60.84
34					63.44
35					66.14
36					68.96
37					71.90
38					74.97
39					78.17
40					81.51
41					85.66
42					90.01
43					94.59
44					99.40
45					104.45
46					109.75
47					115.32
48					121.19
49					127.35
50					133.80
51					138.69
52					143.75
53					149.00
54					154.44
55					160.08
56					165.92
57					171.99
58					178.27
59					184.78
60					191.52
61					202.68
62					214.48
63					226.96
64					240.17
65					254.17
66					270.67
67					288.23
68					306.94
69					326.87
70					348.10
71					370.39
72					394.11
73					419.35
74					446.22
75					474.78
76					508.51
77					544.63
78					583.32
79					624.76
80					669.14
81					725.95
82					787.58
83					854.44
84					926.97

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Gross Monthly Premium Per \$100.00 of Facility Care Daily Benefit					
Home Care Daily Benefit: 100% of Facility Care Daily Benefit					
\$1,825 x Daily Benefit Lifetime Maximum Benefit (5 Year Benefit Period)					
90-Day Elimination Period					
Lifetime Pay					
Issue Age					5% Automatic Compound Inflation (no Maximum)
18-30					\$ 59.46
31					61.97
32					64.59
33					67.32
34					70.17
35					73.14
36					76.23
37					79.45
38					82.82
39					86.33
40					89.98
41					94.48
42					99.20
43					104.16
44					109.36
45					114.83
46					120.57
47					126.60
48					132.94
49					139.58
50					146.58
51					151.71
52					157.04
53					162.55
54					168.25
55					174.14
56					180.25
57					186.57
58					193.12
59					199.89
60					206.90
61					218.50
62					230.77
63					243.72
64					257.39
65					271.83
66					288.92
67					307.08
68					326.38
69					346.90
70					368.70
71					391.39
72					415.48
73					441.06
74					468.20
75					497.00
76					530.98
77					567.28
78					606.07
79					647.50
80					691.78
81					748.90
82					810.74
83					877.70
84					950.18

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<b>Issue Age</b>				<b>5% Automatic Compound Inflation (No Maximum)</b>
40				\$ 396.58
41				404.62
42				412.83
43				421.20
44				429.74
45				438.45
46				447.34
47				456.40
48				465.65
49				475.09
50				484.72
51				496.42
52				508.40
53				520.67
54				533.25
55				546.12
56				559.31
57				572.80
58				586.63
59				600.79
60				615.30
61				635.51
62				656.39
63				677.95
64				700.23
65				723.23
66				745.68
67				768.83
68				792.70
69				817.31
70				842.69
71				874.34
72				907.17
73				941.25
74				976.60
75				1,013.29

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Virginia Rates Before Adjustments Gross Monthly Premium Per \$100.00 of Facility Care Daily Benefit Home Care Daily Benefit: 75% of Facility Care Daily Benefit \$1,825 x Daily Benefit Lifetime Maximum Benefit (5 Year Benefit Period) 90-Day Elimination Period 10-year Paid Up				
Issue Age				5% Automatic Compound Inflation (No Maximum)
40				\$ 437.73
41				446.27
42				454.97
43				463.84
44				472.88
45				482.10
46				491.49
47				501.07
48				510.84
49				520.80
50				530.97
51				543.04
52				555.38
53				568.01
54				580.92
55				594.12
56				607.63
57				621.45
58				635.57
59				650.01
60				664.77
61				685.23
62				706.32
63				728.06
64				750.46
65				773.54
66				796.00
67				819.12
68				842.90
69				867.37
70				892.55
71				923.90
72				956.35
73				989.93
74				1,024.71
75				1,060.69

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Issue Age				5% Automatic Compound Inflation (No Maximum)
40				\$ 483.22
41				492.26
42				501.47
43				510.85
44				520.41
45				530.15
46				540.07
47				550.18
48				560.47
49				570.96
50				581.63
51				594.02
52				606.68
53				619.61
54				632.82
55				646.31
56				660.08
57				674.15
58				688.51
59				703.19
60				718.18
61				738.79
62				760.00
63				781.81
64				804.25
65				827.33
66				849.70
67				872.66
68				896.26
69				920.49
70				945.38
71				976.28
72				1,008.19
73				1,041.15
74				1,075.18
75				1,110.33

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<b>Virginia Rates Before Adjustments</b> <b>Gross Monthly Premium Per \$100.00 of Facility Care Daily Benefit</b> <b>Home Care Daily Benefit: 50% of Facility Care Daily Benefit</b> <b>\$1,825 x Daily Benefit Lifetime Maximum Benefit (5 Year Benefit Period)</b> <b>90-Day Elimination Period</b> <b>Paid Up at Age 65</b>				
<b>Issue Age</b>				<b>5% Automatic Compound Inflation (No Maximum)</b>
18-30				\$ 193.80
31				199.03
32				204.41
33				209.94
34				215.61
35				221.43
36				227.41
37				233.55
38				239.87
39				246.35
40				252.99
41				261.98
42				271.28
43				280.92
44				290.90
45				301.24
46				311.94
47				323.02
48				334.49
49				346.37
50				358.69
51				390.15
52				424.37
53				461.59
54				502.08
55				546.13

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<b>Virginia Rates Before Adjustments</b> <b>Gross Monthly Premium Per \$100.00 of Facility Care Daily Benefit</b> <b>Home Care Daily Benefit: 75% of Facility Care Daily Benefit</b> <b>\$1,825 x Daily Benefit Lifetime Maximum Benefit (5 Year Benefit Period)</b> <b>90-Day Elimination Period</b> <b>Paid Up at Age 65</b>				
<b>Issue Age</b>				<b>5% Automatic Compound Inflation (No Maximum)</b>
18-30				\$ 214.70
31				220.42
32				226.29
33				232.32
34				238.51
35				244.87
36				251.39
37				258.09
38				264.97
39				272.03
40				279.25
41				288.95
42				298.99
43				309.38
44				320.12
45				331.24
46				342.75
47				354.65
48				366.97
49				379.72
50				392.92
51				426.79
52				463.58
53				503.55
54				546.95
55				594.11

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<b>Virginia Rates Before Adjustments</b> <b>Gross Monthly Premium Per \$100.00 of Facility Care Daily Benefit</b> <b>Home Care Daily Benefit: 100% of Facility Care Daily Benefit</b> <b>\$1,825 x Daily Benefit Lifetime Maximum Benefit (5 Year Benefit Period)</b> <b>90-Day Elimination Period</b> <b>Paid Up at Age 65</b>				
<b>Issue Age</b>				<b>5% Automatic Compound Inflation (No Maximum)</b>
18-30				\$ 237.84
31				244.09
32				250.50
33				257.08
34				263.84
35				270.77
36				277.88
37				285.19
38				292.68
39				300.37
40				308.26
41				318.73
42				329.54
43				340.73
44				352.29
45				364.24
46				376.61
47				389.39
48				402.60
49				416.26
50				430.41
51				446.86
52				506.41
53				549.31
54				595.84
55				646.31

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Gross Monthly Premium Per \$100.00 of Facility Care Daily Benefit				
Home Care Daily Benefit: 50% of Facility Care Daily Benefit				
\$1,825 x Daily Benefit Lifetime Maximum Benefit (5 Year Benefit Period)				
90-Day Elimination Period				
Premium Reduction at Age 65				
Issue Age				5% Automatic Compound Inflation (No Maximum)
18-30				\$ 116.28
31				119.96
32				123.75
33				127.67
34				131.70
35				135.87
36				140.17
37				144.61
38				149.18
39				153.90
40				158.77
41				164.63
42				170.70
43				176.99
44				183.51
45				190.28
46				197.29
47				204.56
48				212.09
49				219.91
50				228.01
51				239.07
52				250.68
53				262.85
54				275.61
55				288.98
56				303.01
57				317.71
58				333.14
59				349.31
60				366.25

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<b>Virginia Rates Before Adjustments</b> <b>Gross Monthly Premium Per \$100.00 of Facility Care Daily Benefit</b> <b>Home Care Daily Benefit: 75% of Facility Care Daily Benefit</b> <b>\$1,825 x Daily Benefit Lifetime Maximum Benefit (5 Year Benefit Period)</b> <b>90-Day Elimination Period</b> <b>Premium Reduction at Age 65</b>				
<b>Issue Age</b>				<b>5% Automatic Compound Inflation (No Maximum)</b>
18-30				\$ 128.82
31				132.85
32				136.99
33				141.27
34				145.68
35				150.24
36				154.94
37				159.78
38				164.77
39				169.92
40				175.24
41				181.57
42				188.11
43				194.90
44				201.93
45				209.21
46				216.76
47				224.58
48				232.67
49				241.07
50				249.77
51				261.53
52				273.85
53				286.74
54				300.23
55				314.37
56				329.18
57				344.67
58				360.90
59				377.89
60				395.70

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<b>Virginia Rates Before Adjustments</b> <b>Gross Monthly Premium Per \$100.00 of Facility Care Daily Benefit</b> <b>Home Care Daily Benefit: 100% of Facility Care Daily Benefit</b> <b>\$1,825 x Daily Benefit Lifetime Maximum Benefit (5 Year Benefit Period)</b> <b>90-Day Elimination Period</b> <b>Premium Reduction at Age 65</b>				
<b>Issue Age</b>				<b>5% Automatic Compound Inflation (No Maximum)</b>
18-30				\$ 142.70
31				147.11
32				151.66
33				156.34
34				161.17
35				166.16
36				171.29
37				176.58
38				182.04
39				187.66
40				193.46
41				200.28
42				207.34
43				214.65
44				222.22
45				230.05
46				238.17
47				246.58
48				255.28
49				264.28
50				273.59
51				286.08
52				299.13
53				312.79
54				327.06
55				341.99
56				357.60
57				373.92
58				390.98
59				408.83
60				427.49

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Adjustment Factors - Benefit Period	
Benefit Period (Years)	Premium Adjustment Factor
2	0.69
3	0.82
4	0.94
5	1.00
6	1.04
10	1.34
Lifetime	1.48

Adjustment Factors - Benefit waiting/Elimination Period	
Benefit waiting/elimination Period (days)	Premium Adjustment Factor
30	1.230
60	1.065
90	1.000
120	0.970
180	0.920
365	0.780

Adjustment Factors - Restoration of Benefits Riders	
Benefit Period (Years)	Restoration of Benefits
2	1.03
3	1.02
4	1.01
5	1.01
6	1.01
10	1.01
Lifetime	1.00

Adjustment Factors - Additional Rider	
Return of Premium	1.18
Shortened Benefit Period	1.11
Shared Waiver of Premium	1.03
Survivor Benefit	1.13

Adjustment Factors - to adjust ALF Benefit			
Home Health Percentage	Assisted Living Facility Benefit Percentage		
	50%	75%	100%
50%	1.00	1.03	1.06
75%	N/A	1.00	1.03
100%	N/A	N/A	1.00

Adjustment Factors - Death Benefit	
Death Benefit Type	Premium Adjustment Factor
None	1.000
Standard (100% to age 64)	1.035
Enhanced (100% to age 69)	1.050

\*Factor applies to issue ages less than 75 or 80 only for the Standard and Enhanced benefits, respectively.

Adjustment Factors - Cash Benefit Rider		
Home Health Percentage	Premium Adjustment Factor	
	Non-Automatic Inflation	Automatic Inflation
50%	1.35	1.39
75%	1.46	1.49
100%	1.56	1.64

Adjustment Factors - Flexible Cash Benefit Rider		
Home Health Percentage	Premium Adjustment Factor	
	Non-Automatic Inflation	Automatic Inflation
50%	1.175	1.195
75%	1.230	1.245
100%	1.280	1.320

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Adjustment Factors - Shared Care Rider	
Benefit Period (Years)	Premium Adjustment Factor
2	1.23
3	1.15
4	1.10
5	1.08
6	1.08
10	1.07

Adjustment Factors - Premium Payment Mode	
Premium Payment Mode	Adjustment Factor
Annual	11.40
Semi-Annual	5.90
Quarterly	3.00
Monthly	1.00

Adjustment Factors - Spouse Discounts			
Discount Applies to:	Premium Adjustment Factor		
	5% Discount	10% Discount	15% Discount
Any Married/Partnered Persons	1.030	1.055	1.090
Married Persons if Both Spouses/Partners Apply	1.020	1.045	1.080

Adjustment Factors - Frequency of Periodic Inflation Offer	
Frequency of Offer	Premium Adjustment Factor
Every Year	1.03
Every Two Years	1.01
Every Three Years	1.00

Adjustment Factors - Type of Medical Underwriting	
Underwriting	Premium Adjustment Factor*
Simplified Underwriting for Active Employee Spouses (ages<65), Guaranteed Issue for Employees, Full Medical Underwriting for all others	1.04
Simplified Underwriting for Active Employee and Spouses (ages <65), Full Medical Underwriting for all others	1.03
Guaranteed Issue for Active Employees, Full Medical Underwriting for all others	1.00
Simplified Underwriting for Active Employees and Full Medical Underwriting for all others	0.99
Full Medical Underwriting for all applicants	0.94**

Adjustment Factors - For Underwriting Judgement	
	Premium Adjustment Factor
Demographic-Based	.75 - 1.15

\* Adjustment factors only apply to issue ages less than 65

\*\* Does not apply for plans with an Unlimited benefit period

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Adjustment Factors - Core Coverage		
Issue Age	Premium Adjustment Factor Lifetime Pay	
	Non-Automatic	Automatic
<= 30	0.69	0.79
40	0.81	0.93
50	0.79	0.85
60	0.72	0.8
>= 65	1.00	1.00

Adjustment Factors - Core Business			
Issue Age	Premium Adjustment Factor		
	10-year Paid Up	Paid up at Age 65	Premium Reduction at Age 65
<= 30	N/A	0.74	0.70
40	0.94	0.85	0.90
50	0.98	1.00	1.05
60	0.96	N/A	1.05
65	1.08	N/A	N/A
70	1.08	N/A	N/A
75	1.09	N/A	N/A

Adjustment Factors - Commission Rate Variations	
Level Commission Rate*	Premium Adjustment Factor
0%	1.00
5%	1.05
10%	1.11
15%	1.18
20%	1.25

\*Or actuarially equivalent non-level commission schedules that comply with any applicable state requirements

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Home Care Daily Benefit: 50% of Facility Care Daily Benefit					
\$1,825 x Daily Benefit Lifetime Maximum Benefit (5 Year Benefit Period)					
90-Day Elimination Period					
Lifetime Pay					
Issue Age				5% Automatic Compound Inflation (2x Maximum)	
18-30				\$ 15.31	
31				16.24	
32				17.22	
33				18.26	
34				19.36	
35				20.53	
36				21.77	
37				23.09	
38				24.49	
39				25.97	
40				27.53	
41				29.61	
42				31.85	
43				34.24	
44				36.83	
45				39.60	
46				42.58	
47				45.79	
48				49.25	
49				52.95	
50				56.93	
51				60.94	
52				65.24	
53				69.85	
54				74.78	
55				80.06	
56				85.71	
57				91.76	
58				98.24	
59				105.17	
60				112.57	
61				122.11	
62				132.45	
63				143.67	
64				155.84	
65				169.04	
66				184.29	
67				200.93	
68				219.05	
69				238.82	
70				260.38	
71				282.78	
72				307.10	
73				333.51	
74				362.20	
75				393.35	
76				429.44	
77				468.84	
78				511.86	
79				558.83	
80				610.13	
81				669.35	
82				734.33	
83				805.62	
84				883.83	



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Virginia Rates Before Adjustments					
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Home Care Daily Benefit: 75% of Facility Care Daily Benefit					
\$1,825 x Daily Benefit Lifetime Maximum Benefit (5 Year Benefit Period)					
90-Day Elimination Period					
Lifetime Pay					
Issue Age				5% Automatic Compound Inflation (2x Maximum)	
18-30				\$ 16.95	
31				17.99	
32				19.07	
33				20.23	
34				21.46	
35				22.77	
36				24.16	
37				25.62	
38				27.17	
39				28.82	
40				30.57	
41				32.86	
42				35.31	
43				37.95	
44				40.79	
45				43.84	
46				47.11	
47				50.63	
48				54.42	
49				58.48	
50				62.82	
51				67.14	
52				71.76	
53				76.70	
54				81.98	
55				87.63	
56				93.65	
57				100.10	
58				106.99	
59				114.35	
60				122.18	
61				132.23	
62				143.12	
63				154.90	
64				167.65	
65				181.47	
66				197.41	
67				214.75	
68				233.62	
69				254.14	
70				276.49	
71				299.51	
72				324.45	
73				351.46	
74				380.72	
75				412.42	
76				449.06	
77				488.95	
78				532.39	
79				579.68	
80				631.17	
81				690.91	
82				756.31	
83				827.88	
84				906.24	

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Virginia Rates Before Adjustments					
Gross Monthly Premium Per \$100.00 of Facility Care Daily Benefit					
Home Care Daily Benefit: 100% of Facility Care Daily Benefit					
\$1,825 x Daily Benefit Lifetime Maximum Benefit (5 Year Benefit Period)					
90-Day Elimination Period					
Lifetime Pay					
Issue Age				5% Automatic Compound Inflation (2x Maximum)	
18-30				\$ 18.77	
31				19.91	
32				21.12	
33				22.41	
34				23.77	
35				25.22	
36				26.76	
37				28.39	
38				30.12	
39				31.96	
40				33.92	
41				36.44	
42				39.14	
43				42.04	
44				45.16	
45				48.50	
46				52.10	
47				55.96	
48				60.10	
49				64.56	
50				69.33	
51				73.98	
52				78.94	
53				84.23	
54				89.87	
55				95.89	
56				102.31	
57				109.16	
58				116.48	
59				124.28	
60				132.61	
61				143.21	
62				154.66	
63				167.02	
64				180.38	
65				194.80	
66				211.45	
67				229.54	
68				249.16	
69				270.47	
70				293.59	
71				317.23	
72				342.77	
73				370.37	
74				400.19	
75				432.41	
76				469.56	
77				509.91	
78				553.72	
79				601.29	
80				652.95	
81				713.16	
82				778.92	
83				850.75	
84				929.20	

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Issue Age			5% Automatic Compound Inflation (2x Maximum)	
40			\$ 147.88	
41			152.11	
42			156.45	
43			160.92	
44			165.52	
45			170.25	
46			175.11	
47			180.11	
48			185.26	
49			190.55	
50			195.98	
51			203.71	
52			211.74	
53			220.09	
54			228.77	
55			237.79	
56			247.17	
57			256.92	
58			267.05	
59			277.57	
60			288.53	
61			302.83	
62			317.85	
63			333.60	
64			350.13	
65			367.49	
66			399.27	
67			433.80	
68			471.32	
69			512.08	
70			556.38	
71			603.71	
72			655.08	
73			710.82	
74			771.30	
75			836.92	

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<b>Issue Age</b>			<b>5% Automatic Compound Inflation (2x Maximum)</b>	
40			\$ 164.15	
41			168.74	
42			173.46	
43			178.31	
44			183.29	
45			188.42	
46			193.69	
47			199.10	
48			204.67	
49			210.39	
50			216.26	
51			224.42	
52			232.88	
53			241.67	
54			250.79	
55			260.25	
56			270.06	
57			280.25	
58			290.82	
59			301.79	
60			313.16	
61			327.95	
62			343.45	
63			359.69	
64			376.68	
65			394.49	
66			427.68	
67			463.66	
68			502.67	
69			544.95	
70			590.79	
71			639.43	
72			692.08	
73			749.06	
74			810.73	
75			877.49	

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<b>Virginia Rates Before Adjustments</b> <b>Gross Monthly Premium Per \$100.00 of Facility Care Daily Benefit</b> <b>Home Care Daily Benefit: 100% of Facility Care Daily Benefit</b> <b>\$1,825 x Daily Benefit Lifetime Maximum Benefit (5 Year Benefit Period)</b> <b>90-Day Elimination Period</b> <b>10-year Paid Up</b>				
<b>Issue Age</b>			<b>5% Automatic Compound Inflation (2x Maximum)</b>	
40			\$ 182.22	
41			187.20	
42			192.32	
43			197.58	
44			202.98	
45			208.54	
46			214.25	
47			220.11	
48			226.13	
49			232.31	
50			238.67	
51			247.26	
52			256.16	
53			265.38	
54			274.92	
55			284.81	
56			295.06	
57			305.68	
58			316.68	
59			328.08	
60			339.87	
61			355.15	
62			371.12	
63			387.81	
64			405.24	
65			423.48	
66			458.11	
67			495.56	
68			536.09	
69			579.92	
70			627.33	
71			677.26	
72			731.16	
73			789.35	
74			852.18	
75			920.02	

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<b>Virginia Rates Before Adjustments</b> <b>Gross Monthly Premium Per \$100.00 of Facility Care Daily Benefit</b> <b>Home Care Daily Benefit: 50% of Facility Care Daily Benefit</b> <b>\$1,825 x Daily Benefit Lifetime Maximum Benefit (5 Year Benefit Period)</b> <b>90-Day Elimination Period</b> <b>Paid Up at Age 65</b>				
<b>Issue Age</b>			<b>5% Automatic Compound Inflation (2x Maximum)</b>	
18-30			\$ 54.27	
31			56.96	
32			59.77	
33			62.73	
34			65.84	
35			69.09	
36			72.51	
37			76.10	
38			79.86	
39			83.81	
40			87.97	
41			93.45	
42			99.26	
43			105.45	
44			112.01	
45			118.99	
46			126.40	
47			134.28	
48			142.64	
49			151.53	
50			160.99	
51			174.04	
52			188.17	
53			203.43	
54			219.95	
55			237.79	

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<b>Virginia Rates Before Adjustments</b> <b>Gross Monthly Premium Per \$100.00 of Facility Care Daily Benefit</b> <b>Home Care Daily Benefit: 75% of Facility Care Daily Benefit</b> <b>\$1,825 x Daily Benefit Lifetime Maximum Benefit (5 Year Benefit Period)</b> <b>90-Day Elimination Period</b> <b>Paid Up at Age 65</b>				
<b>Issue Age</b>			<b>5% Automatic Compound Inflation (2x Maximum)</b>	
18-30			\$ 60.10	
31			63.10	
32			66.23	
33			69.52	
34			72.97	
35			76.60	
36			80.41	
37			84.40	
38			88.61	
39			93.02	
40			97.65	
41			103.66	
42			110.06	
43			116.84	
44			124.05	
45			131.69	
46			139.81	
47			148.43	
48			157.59	
49			167.30	
50			177.64	
51			191.74	
52			206.95	
53			223.38	
54			241.11	
55			260.25	

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<b>Issue Age</b>			<b>5% Automatic Compound Inflation (2x Maximum)</b>	
18-30			\$ 66.54	
31			69.86	
32			73.36	
33			77.02	
34			80.87	
35			84.92	
36			89.17	
37			93.62	
38			98.31	
39			103.22	
40			108.38	
41			115.01	
42			122.02	
43			129.47	
44			137.38	
45			145.77	
46			154.67	
47			164.12	
48			174.14	
49			184.78	
50			196.05	
51			211.26	
52			227.63	
53			245.29	
54			264.31	
55			284.80	

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<b>Issue Age</b>			<b>5% Automatic Compound Inflation (2x Maximum)</b>	
18-30			\$ 26.03	
31			27.60	
32			29.27	
33			31.04	
34			32.92	
35			34.91	
36			37.03	
37			39.27	
38			41.65	
39			44.17	
40			46.82	
41			49.61	
42			52.57	
43			55.70	
44			59.03	
45			62.55	
46			66.29	
47			70.25	
48			74.44	
49			78.88	
50			83.62	
51			90.74	
52			98.46	
53			106.84	
54			115.93	
55			125.80	
56			136.50	
57			148.12	
58			160.72	
59			174.39	
60			189.20	

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Gross Monthly Premium Per \$100.00 of Facility Care Daily Benefit				
Home Care Daily Benefit: 75% of Facility Care Daily Benefit				
\$1,825 x Daily Benefit Lifetime Maximum Benefit (5 Year Benefit Period)				
90-Day Elimination Period				
Premium Reduction at Age 65				
Issue Age			5% Automatic Compound Inflation (2x Maximum)	
18-30			\$ 28.82	
31			30.57	
32			32.43	
33			34.40	
34			36.49	
35			38.70	
36			41.05	
37			43.55	
38			46.19	
39			48.99	
40			51.96	
41			55.03	
42			58.29	
43			61.73	
44			65.38	
45			69.25	
46			73.34	
47			77.67	
48			82.26	
49			87.12	
50			92.27	
51			99.96	
52			108.28	
53			117.30	
54			127.07	
55			137.65	
56			149.12	
57			161.54	
58			174.99	
59			189.56	
60			205.35	

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<b>Issue Age</b>			<b>5% Automatic Compound Inflation (2x Maximum)</b>	
18-30			\$ 31.90	
31			33.85	
32			35.92	
33			38.10	
34			40.43	
35			42.89	
36			45.51	
37			48.28	
38			51.23	
39			54.35	
40			57.68	
41			61.06	
42			64.64	
43			68.42	
44			72.42	
45			76.66	
46			81.15	
47			85.89	
48			90.92	
49			96.23	
50			101.83	
51			110.12	
52			119.10	
53			128.80	
54			139.29	
55			150.65	
56			162.92	
57			176.20	
58			190.55	
59			206.07	
60			222.86	

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Adjustment Factors - Benefit Period	
Benefit Period (Years)	Premium Adjustment Factor
2	0.69
3	0.82
4	0.94
5	1.00
6	1.04
10	1.34
Lifetime	1.48

Adjustment Factors - Benefit waiting/Elimination Period	
Benefit waiting/elimination Period (days)	Premium Adjustment Factor
30	1.230
60	1.065
90	1.000
120	0.970
180	0.920
365	0.780

Adjustment Factors - Restoration of Benefits Riders	
Benefit Period (Years)	Restoration of Benefits
2	1.03
3	1.02
4	1.01
5	1.01
6	1.01
10	1.01
Lifetime	1.00

Adjustment Factors - Additional Rider	
Return of Premium	1.18
Shortened Benefit Period	1.11
Shared Waiver of Premium	1.03
Survivor Benefit	1.13

Adjustment Factors - to adjust ALF Benefit			
Home Health Percentage	Assisted Living Facility Benefit Percentage		
	50%	75%	100%
50%	1.00	1.03	1.06
75%	N/A	1.00	1.03
100%	N/A	N/A	1.00

Adjustment Factors - Death Benefit	
Death Benefit Type	Premium Adjustment Factor
None	1.000
Standard (100% to age 64)	1.035
Enhanced (100% to age 69)	1.050

\*Factor applies to issue ages less than 75 or 80 only for the Standard and Enhanced benefits, respectively.

Adjustment Factors - Cash Benefit Rider		
Home Health Percentage	Premium Adjustment Factor	
	Non-Automatic Inflation	Automatic Inflation
50%	1.35	1.39
75%	1.46	1.49
100%	1.56	1.64

Adjustment Factors - Flexible Cash Benefit Rider		
Home Health Percentage	Premium Adjustment Factor	
	Non-Automatic Inflation	Automatic Inflation
50%	1.175	1.195
75%	1.230	1.245
100%	1.280	1.320

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Adjustment Factors - Shared Care Rider	
Benefit Period (Years)	Premium Adjustment Factor
2	1.23
3	1.15
4	1.10
5	1.08
6	1.08
10	1.07

Adjustment Factors - Premium Payment Mode	
Premium Payment Mode	Adjustment Factor
Annual	11.40
Semi-Annual	5.90
Quarterly	3.00
Monthly	1.00

Adjustment Factors - Spouse Discounts			
Discount Applies to:	Premium Adjustment Factor		
	5% Discount	10% Discount	15% Discount
Any Married/Partnered Persons	1.030	1.055	1.090
Married Persons if Both Spouses/Partners Apply	1.020	1.045	1.080

Adjustment Factors - Frequency of Periodic Inflation Offer	
Frequency of Offer	Premium Adjustment Factor
Every Year	1.03
Every Two Years	1.01
Every Three Years	1.00

Adjustment Factors - Type of Medical Underwriting	
Underwriting	Premium Adjustment Factor*
Simplified Underwriting for Active Employee Spouses (ages<65), Guaranteed Issue for Employees, Full Medical Underwriting for all others	1.04
Simplified Underwriting for Active Employee and Spouses (ages <65), Full Medical Underwriting for all others	1.03
Guaranteed Issue for Active Employees, Full Medical Underwriting for all others	1.00
Simplified Underwriting for Active Employees and Full Medical Underwriting for all others	0.99
Full Medical Underwriting for all applicants	0.94**

Adjustment Factors - For Underwriting Judgement	
	Premium Adjustment Factor
Demographic-Based	.75 - 1.15

\* Adjustment factors only apply to issue ages less than 65

\*\* Does not apply for plans with an Unlimited benefit period

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Adjustment Factors - Core Coverage		
Issue Age	Premium Adjustment Factor Lifetime Pay	
	Non-Automatic	Automatic
<= 30	0.69	0.79
40	0.81	0.93
50	0.79	0.85
60	0.72	0.8
>= 65	1.00	1.00

Adjustment Factors - Core Business			
Issue Age	Premium Adjustment Factor		
	10-year Paid Up	Paid up at Age 65	Premium Reduction at Age 65
<= 30	N/A	0.74	0.70
40	0.94	0.85	0.90
50	0.98	1.00	1.05
60	0.96	N/A	1.05
65	1.08	N/A	N/A
70	1.08	N/A	N/A
75	1.09	N/A	N/A

Adjustment Factors - Commission Rate Variations	
Level Commission Rate*	Premium Adjustment Factor
0%	1.00
5%	1.05
10%	1.11
15%	1.18
20%	1.25

\*Or actuarially equivalent non-level commission schedules that comply with any applicable state requirements

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\$1,825 x Daily Benefit Lifetime Maximum Benefit (5 Year Benefit Period)					
90-Day Elimination Period					
Lifetime Pay					
Issue Age			5% Automatic Simple Inflation		
18-30			\$ 19.99		
31			21.16		
32			22.42		
33			23.75		
34			25.16		
35			26.64		
36			28.22		
37			29.89		
38			31.66		
39			33.53		
40			35.51		
41			37.82		
42			40.28		
43			42.90		
44			45.69		
45			48.66		
46			51.83		
47			55.20		
48			58.78		
49			62.61		
50			66.67		
51			70.71		
52			74.99		
53			79.53		
54			84.35		
55			89.45		
56			94.86		
57			100.61		
58			106.70		
59			113.16		
60			120.01		
61			129.26		
62			139.23		
63			149.96		
64			161.52		
65			173.97		
66			187.94		
67			203.03		
68			219.33		
69			236.94		
70			255.97		
71			276.29		
72			298.21		
73			321.88		
74			347.42		
75			375.00		
76			407.87		
77			443.62		
78			482.50		
79			524.80		
80			570.79		
81			629.70		
82			694.67		
83			766.36		
84			845.44		

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Home Care Daily Benefit: 75% of Facility Care Daily Benefit					
\$1,825 x Daily Benefit Lifetime Maximum Benefit (5 Year Benefit Period)					
90-Day Elimination Period					
Lifetime Pay					
Issue Age			5% Automatic Simple Inflation		
18-30			\$ 22.22		
31			23.54		
32			24.94		
33			26.41		
34			27.97		
35			29.63		
36			31.38		
37			33.24		
38			35.21		
39			37.29		
40			39.49		
41			42.03		
42			44.74		
43			47.62		
44			50.69		
45			53.96		
46			57.43		
47			61.13		
48			65.07		
49			69.26		
50			73.70		
51			78.05		
52			82.65		
53			87.53		
54			92.69		
55			98.15		
56			103.94		
57			110.07		
58			116.56		
59			123.43		
60			130.74		
61			140.54		
62			151.06		
63			162.38		
64			174.55		
65			187.63		
66			202.28		
67			218.08		
68			235.11		
69			253.48		
70			273.28		
71			294.18		
72			316.68		
73			340.89		
74			366.96		
75			395.02		
76			428.38		
77			464.56		
78			503.80		
79			546.35		
80			592.49		
81			652.00		
82			717.49		
83			789.55		
84			868.85		



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Home Care Daily Benefit: 100% of Facility Care Daily Benefit					
\$1,825 x Daily Benefit Lifetime Maximum Benefit (5 Year Benefit Period)					
90-Day Elimination Period					
Lifetime Pay					
Issue Age			5% Automatic Simple Inflation		
18-30			\$ 24.70		
31			26.16		
32			27.71		
33			29.35		
34			31.09		
35			32.93		
36			34.88		
37			36.95		
38			39.14		
39			41.46		
40			43.92		
41			46.72		
42			49.70		
43			52.87		
44			56.23		
45			59.82		
46			63.62		
47			67.67		
48			71.98		
49			76.57		
50			81.46		
51			86.13		
52			91.08		
53			96.32		
54			101.85		
55			107.70		
56			113.89		
57			120.44		
58			127.36		
59			134.67		
60			142.42		
61			152.78		
62			163.90		
63			175.82		
64			188.62		
65			202.35		
66			217.71		
67			234.25		
68			252.03		
69			271.17		
70			291.75		
71			313.23		
72			336.27		
73			361.02		
74			387.59		
75			416.11		
76			449.93		
77			486.51		
78			526.05		
79			568.81		
80			615.03		
81			675.10		
82			741.05		
83			813.43		
84			892.88		

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Issue Age		5% Automatic Simple Inflation		
40		\$ 213.72		
41		217.10		
42		220.53		
43		224.02		
44		227.56		
45		231.15		
46		234.81		
47		238.52		
48		242.30		
49		246.13		
50		250.03		
51		255.06		
52		260.18		
53		265.42		
54		270.75		
55		276.20		
56		281.75		
57		287.42		
58		293.19		
59		299.09		
60		305.12		
61		318.51		
62		332.48		
63		347.06		
64		362.29		
65		378.18		
66		407.14		
67		438.33		
68		471.90		
69		508.05		
70		546.95		
71		589.85		
72		636.12		
73		686.02		
74		739.83		
75		797.87		

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Issue Age		5% Automatic Simple Inflation		
40		\$ 237.67		
41		241.27		
42		244.94		
43		248.66		
44		252.44		
45		256.28		
46		260.17		
47		264.13		
48		268.15		
49		272.23		
50		276.36		
51		281.51		
52		286.76		
53		292.11		
54		297.55		
55		303.09		
56		308.74		
57		314.49		
58		320.35		
59		326.32		
60		332.38		
61		346.27		
62		360.75		
63		375.83		
64		391.53		
65		407.88		
66		438.23		
67		470.83		
68		505.87		
69		543.51		
70		583.94		
71		628.06		
72		675.51		
73		726.55		
74		781.44		
75		840.47		

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<b>Virginia Rates Before Adjustments</b> <b>Gross Monthly Premium Per \$100.00 of Facility Care Daily Benefit</b> <b>Home Care Daily Benefit: 100% of Facility Care Daily Benefit</b> <b>\$1,825 x Daily Benefit Lifetime Maximum Benefit (5 Year Benefit Period)</b> <b>90-Day Elimination Period</b> <b>10-year Paid Up</b>				
<b>Issue Age</b>		5% Automatic Simple Inflation		
40		\$ 264.34		
41		268.19		
42		272.10		
43		276.06		
44		280.08		
45		284.16		
46		288.30		
47		292.50		
48		296.76		
49		301.08		
50		305.47		
51		310.71		
52		316.03		
53		321.45		
54		326.96		
55		332.57		
56		338.27		
57		344.07		
58		349.97		
59		355.96		
60		362.08		
61		376.45		
62		391.40		
63		406.95		
64		423.10		
65		439.89		
66		471.66		
67		505.73		
68		542.25		
69		581.41		
70		623.40		
71		668.71		
72		717.31		
73		769.44		
74		825.36		
75		885.35		

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<b>Virginia Rates Before Adjustments</b> <b>Gross Monthly Premium Per \$100.00 of Facility Care Daily Benefit</b> <b>Home Care Daily Benefit: 50% of Facility Care Daily Benefit</b> <b>\$1,825 x Daily Benefit Lifetime Maximum Benefit (5 Year Benefit Period)</b> <b>90-Day Elimination Period</b> <b>Paid Up at Age 65</b>				
<b>Issue Age</b>		5% Automatic Simple Inflation		
18-30		\$ 72.69		
31		76.11		
32		79.68		
33		83.44		
34		87.36		
35		91.47		
36		95.77		
37		100.27		
38		104.98		
39		109.92		
40		115.08		
41		120.93		
42		127.08		
43		133.54		
44		140.33		
45		147.46		
46		154.95		
47		162.82		
48		171.09		
49		179.78		
50		188.90		
51		203.82		
52		219.91		
53		237.27		
54		256.00		
55		276.21		

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<b>Issue Age</b>		5% Automatic Simple Inflation		
18-30		\$ 80.78		
31		84.59		
32		88.57		
33		92.74		
34		97.11		
35		101.68		
36		106.47		
37		111.49		
38		116.73		
39		122.23		
40		127.97		
41		134.40		
42		141.14		
43		148.23		
44		155.66		
45		163.47		
46		171.68		
47		180.29		
48		189.33		
49		198.84		
50		208.80		
51		224.96		
52		242.36		
53		261.12		
54		281.33		
55		303.09		

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<b>Issue Age</b>		5% Automatic Simple Inflation		
18-30		\$ 89.80		
31		94.04		
32		98.47		
33		103.11		
34		107.98		
35		113.07		
36		118.40		
37		123.98		
38		129.82		
39		135.94		
40		142.34		
41		149.39		
42		156.78		
43		164.55		
44		172.70		
45		181.25		
46		190.22		
47		199.64		
48		209.53		
49		219.90		
50		230.79		
51		248.28		
52		267.10		
53		287.35		
54		309.13		
55		332.56		

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<b>Issue Age</b>		5% Automatic Simple Inflation		
18-30		\$ 37.98		
31		40.12		
32		42.37		
33		44.76		
34		47.28		
35		49.94		
36		52.76		
37		55.73		
38		58.86		
39		62.17		
40		65.69		
41		68.89		
42		72.26		
43		75.79		
44		79.49		
45		83.37		
46		87.44		
47		91.71		
48		96.18		
49		100.88		
50		105.79		
51		112.94		
52		120.57		
53		128.72		
54		137.42		
55		146.71		
56		156.62		
57		167.20		
58		178.50		
59		190.55		
60		203.41		

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<b>Issue Age</b>		5% Automatic Simple Inflation		
18-30		\$ 42.21		
31		44.58		
32		47.10		
33		49.75		
34		52.56		
35		55.52		
36		58.65		
37		61.96		
38		65.46		
39		69.16		
40		73.05		
41		76.57		
42		80.26		
43		84.12		
44		88.17		
45		92.41		
46		96.87		
47		101.53		
48		106.43		
49		111.55		
50		116.93		
51		124.65		
52		132.88		
53		141.65		
54		151.00		
55		160.96		
56		171.59		
57		182.92		
58		195.00		
59		207.87		
60		221.58		

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<b>Issue Age</b>		<b>5% Automatic Simple Inflation</b>		
18-30		\$ 46.93		
31		49.58		
32		52.37		
33		55.33		
34		58.45		
35		61.75		
36		65.24		
37		68.93		
38		72.82		
39		76.93		
40		81.26		
41		85.12		
42		89.17		
43		93.40		
44		97.83		
45		102.49		
46		107.36		
47		112.46		
48		117.81		
49		123.41		
50		129.25		
51		137.58		
52		146.44		
53		155.88		
54		165.92		
55		176.62		
56		188.00		
57		200.12		
58		213.03		
59		226.75		
60		241.38		

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Adjustment Factors - Benefit Period	
Benefit Period (Years)	Premium Adjustment Factor
2	0.69
3	0.82
4	0.94
5	1.00
6	1.04
10	1.34
Lifetime	1.48

Adjustment Factors - Benefit waiting/Elimination Period	
Benefit waiting/elimination Period (days)	Premium Adjustment Factor
30	1.230
60	1.065
90	1.000
120	0.970
180	0.920
365	0.780

Adjustment Factors - Restoration of Benefits Riders	
Benefit Period (Years)	Restoration of Benefits
2	1.03
3	1.02
4	1.01
5	1.01
6	1.01
10	1.01
Lifetime	1.00

Adjustment Factors - Additional Rider	
Return of Premium	1.18
Shortened Benefit Period	1.11
Shared Waiver of Premium	1.03
Survivor Benefit	1.13

Adjustment Factors - to adjust ALF Benefit			
Home Health Percentage	Assisted Living Facility Benefit Percentage		
	50%	75%	100%
50%	1.00	1.03	1.06
75%	N/A	1.00	1.03
100%	N/A	N/A	1.00

Adjustment Factors - Death Benefit	
Death Benefit Type	Premium Adjustment Factor
None	1.000
Standard (100% to age 64)	1.035
Enhanced (100% to age 69)	1.050

\*Factor applies to issue ages less than 75 or 80 only for the Standard and Enhanced benefits, respectively.

Adjustment Factors - Cash Benefit Rider		
Home Health Percentage	Premium Adjustment Factor	
	Non-Automatic Inflation	Automatic Inflation
50%	1.35	1.39
75%	1.46	1.49
100%	1.56	1.64

Adjustment Factors - Flexible Cash Benefit Rider		
Home Health Percentage	Premium Adjustment Factor	
	Non-Automatic Inflation	Automatic Inflation
50%	1.175	1.195
75%	1.230	1.245
100%	1.280	1.320

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Adjustment Factors - Shared Care Rider	
Benefit Period (Years)	Premium Adjustment Factor
2	1.23
3	1.15
4	1.10
5	1.08
6	1.08
10	1.07

Adjustment Factors - Premium Payment Mode	
Premium Payment Mode	Adjustment Factor
Annual	11.40
Semi-Annual	5.90
Quarterly	3.00
Monthly	1.00

Adjustment Factors - Spouse Discounts			
Discount Applies to:	Premium Adjustment Factor		
	5% Discount	10% Discount	15% Discount
Any Married/Partnered Persons	1.030	1.055	1.090
Married Persons if Both Spouses/Partners Apply	1.020	1.045	1.080

Adjustment Factors - Frequency of Periodic Inflation Offer	
Frequency of Offer	Premium Adjustment Factor
Every Year	1.03
Every Two Years	1.01
Every Three Years	1.00

Adjustment Factors - Type of Medical Underwriting	
Underwriting	Premium Adjustment Factor*
Simplified Underwriting for Active Employee Spouses (ages<65), Guaranteed Issue for Employees, Full Medical Underwriting for all others	1.04
Simplified Underwriting for Active Employee and Spouses (ages <65), Full Medical Underwriting for all others	1.03
Guaranteed Issue for Active Employees, Full Medical Underwriting for all others	1.00
Simplified Underwriting for Active Employees and Full Medical Underwriting for all others	0.99
Full Medical Underwriting for all applicants	0.94**

Adjustment Factors - For Underwriting Judgement	
	Premium Adjustment Factor
Demographic-Based	.75 - 1.15

\* Adjustment factors only apply to issue ages less than 65

\*\* Does not apply for plans with an Unlimited benefit period

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Adjustment Factors - Core Coverage		
Issue Age	Premium Adjustment Factor Lifetime Pay	
	Non-Automatic	Automatic
<= 30	0.69	0.79
40	0.81	0.93
50	0.79	0.85
60	0.72	0.8
>= 65	1.00	1.00

Adjustment Factors - Core Business			
Issue Age	Premium Adjustment Factor		
	10-year Paid Up	Paid up at Age 65	Premium Reduction at Age 65
<= 30	N/A	0.74	0.70
40	0.94	0.85	0.90
50	0.98	1.00	1.05
60	0.96	N/A	1.05
65	1.08	N/A	N/A
70	1.08	N/A	N/A
75	1.09	N/A	N/A

Adjustment Factors - Commission Rate Variations	
Level Commission Rate*	Premium Adjustment Factor
0%	1.00
5%	1.05
10%	1.11
15%	1.18
20%	1.25

\*Or actuarially equivalent non-level commission schedules that comply with any applicable state requirements

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<b>Issue Age</b>		<b>Guaranteed Purchase Option</b>			
18-30		\$	9.48		
31			9.94		
32			10.43		
33			10.95		
34			11.48		
35			12.05		
36			12.64		
37			13.26		
38			13.90		
39			14.59		
40			15.32		
41			16.28		
42			17.30		
43			18.38		
44			19.54		
45			20.76		
46			22.06		
47			23.43		
48			24.89		
49			26.46		
50			28.12		
51			30.24		
52			32.52		
53			34.97		
54			37.61		
55			40.45		
56			43.49		
57			46.77		
58			50.30		
59			54.10		
60			58.17		
61			63.77		
62			69.91		
63			76.64		
64			84.02		
65			92.13		
66			99.96		
67			108.45		
68			117.67		
69			127.67		
70			138.52		
71			152.21		
72			167.24		
73			183.77		
74			201.92		
75			221.87		
76			247.69		
77			276.51		
78			308.68		
79			344.60		
80			384.70		
81			430.91		
82			482.68		
83			540.66		
84			605.61		

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Home Care Daily Benefit: 75% of Facility Care Daily Benefit					
\$1,825 x Daily Benefit Lifetime Maximum Benefit (5 Year Benefit Period)					
90-Day Elimination Period					
Lifetime Pay					
Issue Age		Guaranteed Purchase Option			
18-30		\$ 10.55			
31		11.07			
32		11.62			
33		12.19			
34		12.79			
35		13.42			
36		14.08			
37		14.77			
38		15.50			
39		16.26			
40		17.06			
41		18.14			
42		19.28			
43		20.50			
44		21.80			
45		23.18			
46		24.64			
47		26.19			
48		27.84			
49		29.60			
50		31.45			
51		33.78			
52		36.28			
53		38.96			
54		41.84			
55		44.95			
56		48.28			
57		51.85			
58		55.69			
59		59.82			
60		64.25			
61		70.22			
62		76.75			
63		83.89			
64		91.69			
65		100.21			
66		108.55			
67		117.58			
68		127.36			
69		137.95			
70		149.40			
71		163.82			
72		179.64			
73		196.98			
74		216.00			
75		236.84			
76		263.63			
77		293.44			
78		326.61			
79		363.54			
80		404.65			
81		452.09			
82		505.09			
83		564.30			
84		630.45			

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Gross Monthly Premium Per \$100.00 of Facility Care Daily Benefit Home Care Daily Benefit: 100% of Facility Care Daily Benefit \$1,825 x Daily Benefit Lifetime Maximum Benefit (5 Year Benefit Period) 90-Day Elimination Period Lifetime Pay					
Issue Age		Guaranteed Purchase Option			
18-30		\$ 11.74			
31		12.32			
32		12.93			
33		13.56			
34		14.23			
35		14.94			
36		15.68			
37		16.45			
38		17.26			
39		18.11			
40		19.01			
41		20.22			
42		21.51			
43		22.87			
44		24.32			
45		25.86			
46		27.50			
47		29.25			
48		31.11			
49		33.09			
50		35.18			
51		37.74			
52		40.48			
53		43.43			
54		46.59			
55		49.97			
56		53.60			
57		57.50			
58		61.68			
59		66.17			
60		70.97			
61		77.33			
62		84.26			
63		91.81			
64		100.03			
65		108.99			
66		117.85			
67		127.44			
68		137.80			
69		149.01			
70		161.13			
71		176.32			
72		192.95			
73		211.15			
74		231.06			
75		252.85			
76		280.60			
77		311.40			
78		345.59			
79		383.53			
80		425.62			
81		474.29			
82		528.52			
83		588.95			
84		656.29			

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Adjustment Factors - Benefit Period	
Benefit Period (Years)	Premium Adjustment Factor
2	0.69
3	0.82
4	0.94
5	1.00
6	1.04
10	1.34
Lifetime	1.48

Adjustment Factors - Benefit waiting/Elimination Period	
Benefit waiting/elimination Period (days)	Premium Adjustment Factor
30	1.230
60	1.065
90	1.000
120	0.970
180	0.920
365	0.780

Adjustment Factors - Restoration of Benefits Riders	
Benefit Period (Years)	Restoration of Benefits
2	1.03
3	1.02
4	1.01
5	1.01
6	1.01
10	1.01
Lifetime	1.00

Adjustment Factors - Additional Rider	
Return of Premium	1.18
Shortened Benefit Period	1.11
Shared Waiver of Premium	1.03
Survivor Benefit	1.13

Adjustment Factors - to adjust ALF Benefit			
Home Health Percentage	Assisted Living Facility Benefit Percentage		
	50%	75%	100%
50%	1.00	1.03	1.06
75%	N/A	1.00	1.03
100%	N/A	N/A	1.00

Adjustment Factors - Death Benefit	
Death Benefit Type	Premium Adjustment Factor
None	1.000
Standard (100% to age 64)	1.035
Enhanced (100% to age 69)	1.050

\*Factor applies to issue ages less than 75 or 80 only for the Standard and Enhanced benefits, respectively.

Adjustment Factors - Cash Benefit Rider		
Home Health Percentage	Premium Adjustment Factor	
	Non-Automatic Inflation	Automatic Inflation
50%	1.35	1.39
75%	1.46	1.49
100%	1.56	1.64

Adjustment Factors - Flexible Cash Benefit Rider		
Home Health Percentage	Premium Adjustment Factor	
	Non-Automatic Inflation	Automatic Inflation
50%	1.175	1.195
75%	1.230	1.245
100%	1.280	1.320

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Adjustment Factors - Shared Care Rider	
Benefit Period (Years)	Premium Adjustment Factor
2	1.23
3	1.15
4	1.10
5	1.08
6	1.08
10	1.07

Adjustment Factors - Premium Payment Mode	
Premium Payment Mode	Adjustment Factor
Annual	11.40
Semi-Annual	5.90
Quarterly	3.00
Monthly	1.00

Adjustment Factors - Spouse Discounts			
Discount Applies to:	Premium Adjustment Factor		
	5% Discount	10% Discount	15% Discount
Any Married/Partnered Persons	1.030	1.055	1.090
Married Persons if Both Spouses/Partners Apply	1.020	1.045	1.080

Adjustment Factors - Frequency of Periodic Inflation Offer	
Frequency of Offer	Premium Adjustment Factor
Every Year	1.03
Every Two Years	1.01
Every Three Years	1.00

Adjustment Factors - Type of Medical Underwriting	
Underwriting	Premium Adjustment Factor*
Simplified Underwriting for Active Employee Spouses (ages<65), Guaranteed Issue for Employees, Full Medical Underwriting for all others	1.04
Simplified Underwriting for Active Employee and Spouses (ages <65), Full Medical Underwriting for all others	1.03
Guaranteed Issue for Active Employees, Full Medical Underwriting for all others	1.00
Simplified Underwriting for Active Employees and Full Medical Underwriting for all others	0.99
Full Medical Underwriting for all applicants	0.94**

Adjustment Factors - For Underwriting Judgement	
	Premium Adjustment Factor
Demographic-Based	.75 - 1.15

\* Adjustment factors only apply to issue ages less than 65  
 \*\* Does not apply for plans with an Unlimited benefit period

Virginia Rates  
 Policy Form 83500 LTC T 5142  
 October 1, 2019

**Appendix D**  
**The Prudential Insurance Company of America**  
**Group Long Term Care Insurance Plan**  
**Base Rates and Adjustment Factors**  
**83500 LTC T 5142**

Page 6 of 6

Adjustment Factors - Core Coverage		
Issue Age	Premium Adjustment Factor Lifetime Pay	
	Non-Automatic	Automatic
<= 30	0.69	0.79
40	0.81	0.93
50	0.79	0.85
60	0.72	0.8
>= 65	1.00	1.00

Adjustment Factors - Core Business			
Issue Age	Premium Adjustment Factor		
	10-year Paid Up	Paid up at Age 65	Premium Reduction at Age 65
<= 30	N/A	0.74	0.70
40	0.94	0.85	0.90
50	0.98	1.00	1.05
60	0.96	N/A	1.05
65	1.08	N/A	N/A
70	1.08	N/A	N/A
75	1.09	N/A	N/A

Adjustment Factors - Commission Rate Variations	
Level Commission Rate*	Premium Adjustment Factor
0%	1.00
5%	1.05
10%	1.11
15%	1.18
20%	1.25

\*Or actuarially equivalent non-level commission schedules that comply with any applicable state requirements

*Virginia Rates*  
*Policy Form 83500 LTC T 5142*  
*October 1, 2019*

<b>State:</b>	Virginia	<b>Filing Company:</b>	The Prudential Insurance Company of America
<b>TOI/Sub-TOI:</b>	LTC03G Group Long Term Care/LTC03G.001 Qualified		
<b>Product Name:</b>	Group Long Term Care Insurance		
<b>Project Name/Number:</b>	GLTC-4 Re-Rate/7G-2018		

## Supporting Document Schedules

<b>Satisfied - Item:</b>	Certification of Compliance
<b>Comments:</b>	
<b>Attachment(s):</b>	VA - Certification of Compliance - 7-1-2019.pdf
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	12/21/2021

<b>Satisfied - Item:</b>	Product Checklist
<b>Comments:</b>	
<b>Attachment(s):</b>	VA - Checklist - 7-1-2019.pdf
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	12/21/2021

<b>Satisfied - Item:</b>	L&H Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	VA - All GLTC4 Rate Increase.pdf VA Act Memo - Revised Rates GLTC4.pdf
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	12/21/2021

<b>Satisfied - Item:</b>	Long Term Care Insurance Rate Request Summary
<b>Comments:</b>	
<b>Attachment(s):</b>	VA GLTC-4) LTC Rate Summary - 7-1-2019.pdf VA - LTC Rate Summary Narrative (GLTC4) - 12-4-2019.pdf
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	12/21/2021

<b>Satisfied - Item:</b>	Filing Cover Letter
<b>Comments:</b>	
<b>Attachment(s):</b>	VA - Filing Cover Letter - 7-1-2019.pdf
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	12/21/2021

<b>Satisfied - Item:</b>	Appendix C - Description of Experience Analysis and Assumption Setting
<b>Comments:</b>	
<b>Attachment(s):</b>	Appendix C - Description of Experience Analysis and Assumption Setting.pdf

<b>State:</b>	Virginia	<b>Filing Company:</b>	The Prudential Insurance Company of America
<b>TOI/Sub-TOI:</b>	LTC03G Group Long Term Care/LTC03G.001 Qualified		
<b>Product Name:</b>	Group Long Term Care Insurance		
<b>Project Name/Number:</b>	GLTC-4 Re-Rate/7G-2018		

<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	12/21/2021

<b>Satisfied - Item:</b>	Appendix C - Exhibit 1 - Mortality Details - GLTC
<b>Comments:</b>	
<b>Attachment(s):</b>	Appendix C - Exhibit 1 - Mortality Details - GLTC.pdf
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	12/21/2021

<b>Satisfied - Item:</b>	Appendix C - Exhibit 2 - Lapse Details
<b>Comments:</b>	
<b>Attachment(s):</b>	Appendix C - Exhibit 2 - Lapse Details - GLTC.pdf
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	12/21/2021

<b>Satisfied - Item:</b>	Appendix C - Exhibit 3 - Morbidity Details - GLTC
<b>Comments:</b>	
<b>Attachment(s):</b>	Appendix C - Exhibit 3 - Morbidity Details - GLTC.pdf
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	12/21/2021

<b>Satisfied - Item:</b>	VA - Certificateholder Advanced Notification Letter Package
<b>Comments:</b>	Please be advised that the Advanced Notification Package was previously reviewed and filed by Department on June 5, 2019, under SERFF Filing Number PRUD-129708969.  We have replaced the originally approved template with "John Doe" versions of the documents.
<b>Attachment(s):</b>	GRP 115128 - VA Advanced Notification Letter - 2-2019 (John Doe version GLTC4).pdf VA - Change Request Form - 9-2018 (John Doe version GLTC4).pdf GRP 115279 - Frequently Asked Questions - 9-2018 (John Doe version GLTC4).pdf
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	12/21/2021

<b>Satisfied - Item:</b>	Letter of Response - 12-4-2019
<b>Comments:</b>	
<b>Attachment(s):</b>	VA - Letter of Response (GLTC4) - 12-4-2019.pdf
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	12/21/2021

<b>State:</b>	Virginia	<b>Filing Company:</b>	The Prudential Insurance Company of America
<b>TOI/Sub-TOI:</b>	LTC03G Group Long Term Care/LTC03G.001 Qualified		
<b>Product Name:</b>	Group Long Term Care Insurance		
<b>Project Name/Number:</b>	GLTC-4 Re-Rate/7G-2018		

<b>Satisfied - Item:</b>	Letter of Response - 5-7-2020
<b>Comments:</b>	
<b>Attachment(s):</b>	VA - Letter of Response (GLTC4) - 5-7-2020.pdf
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	12/21/2021

<b>Satisfied - Item:</b>	Letter of Response - 6-18-2020
<b>Comments:</b>	
<b>Attachment(s):</b>	VA - Letter of Response (GLTC4) - 6-18-2020.pdf
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	12/21/2021

<b>Satisfied - Item:</b>	2018 GLTC Morbidity & Persistency Assumptions
<b>Comments:</b>	
<b>Attachment(s):</b>	2018 GLTC Morbidity&persistency Assumptions.xlsx
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	12/21/2021

<b>Satisfied - Item:</b>	GLTC4 Original A to E Exhibit
<b>Comments:</b>	
<b>Attachment(s):</b>	GLTC4 Original Pricing A to E Exhibit.pdf
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	12/21/2021

<b>Satisfied - Item:</b>	GLTC4 Rate Increase History
<b>Comments:</b>	
<b>Attachment(s):</b>	GLTC4 Rate Increase History.pdf
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	12/21/2021

<b>Satisfied - Item:</b>	VA GLTC4 Projections - with Formulas
<b>Comments:</b>	
<b>Attachment(s):</b>	VA GLTC4 Projections - with Formulas.xlsx
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	12/21/2021

<b>Satisfied - Item:</b>	Model Formulas
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<b>State:</b>	Virginia	<b>Filing Company:</b>	The Prudential Insurance Company of America
<b>TOI/Sub-TOI:</b>	LTC03G Group Long Term Care/LTC03G.001 Qualified		
<b>Product Name:</b>	Group Long Term Care Insurance		
<b>Project Name/Number:</b>	GLTC-4 Re-Rate/7G-2018		

<b>Comments:</b>	
<b>Attachment(s):</b>	Model Formulas.pdf
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	12/21/2021
<b>Satisfied - Item:</b>	Letter of Response - 11-5-2020
<b>Comments:</b>	
<b>Attachment(s):</b>	VA - Letter of Response (GLTC4) - 11-5-2020.pdf
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	12/21/2021
<b>Satisfied - Item:</b>	VA GLTC4 If Knew Blended Approach
<b>Comments:</b>	
<b>Attachment(s):</b>	VA GLTC4 If Knew Blended Approach.xlsx
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	12/21/2021
<b>Satisfied - Item:</b>	VA GLTC4 PPV Approach
<b>Comments:</b>	
<b>Attachment(s):</b>	VA GLTC4 PPV Approach.xlsx
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	12/21/2021
<b>Satisfied - Item:</b>	VA GLTC4 Projections
<b>Comments:</b>	
<b>Attachment(s):</b>	VA GLTC4 Projections.xlsx
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	12/21/2021
<b>Satisfied - Item:</b>	2020-11-30 Objection Response Package
<b>Comments:</b>	
<b>Attachment(s):</b>	VA GLTC4 resp to 2020-11-30 obj.pdf GLTC4 2020-11-30 Objection Attachments.xlsx
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	12/21/2021
<b>Satisfied - Item:</b>	Letter of Response - 03-30-2021

<b>SERFF Tracking #:</b>	PRUD-131998699	<b>State Tracking #:</b>	PRUD-131998699	<b>Company Tracking #:</b>	IIGHGLTC4RATE-RP-VA
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<b>State:</b>	Virginia	<b>Filing Company:</b>	The Prudential Insurance Company of America
<b>TOI/Sub-TOI:</b>	LTC03G Group Long Term Care/LTC03G.001 Qualified		
<b>Product Name:</b>	Group Long Term Care Insurance		
<b>Project Name/Number:</b>	GLTC-4 Re-Rate/7G-2018		

<b>Comments:</b>	
<b>Attachment(s):</b>	VA GLTC4 resp to 2021-03-30 Objection.pdf
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	12/21/2021



State:	Virginia	Filing Company:	The Prudential Insurance Company of America
TOI/Sub-TOI:	LTC03G Group Long Term Care/LTC03G.001 Qualified		
Product Name:	Group Long Term Care Insurance		
Project Name/Number:	GLTC-4 Re-Rate/7G-2018		

***Attachment 2018 GLTC Morbidity&persistency Assumptions.xlsx is not a PDF document and cannot be reproduced here.***

***Attachment VA GLTC4 Projections - with Formulas.xlsx is not a PDF document and cannot be reproduced here.***

***Attachment VA GLTC4 If Knew Blended Approach.xlsx is not a PDF document and cannot be reproduced here.***

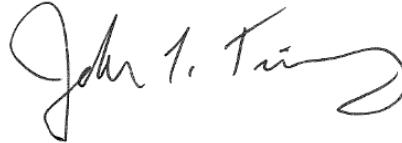
***Attachment VA GLTC4 PPV Approach.xlsx is not a PDF document and cannot be reproduced here.***

***Attachment VA GLTC4 Projections.xlsx is not a PDF document and cannot be reproduced here.***

***Attachment GLTC4 2020-11-30 Objection Attachments.xlsx is not a PDF document and cannot be reproduced here.***

## Virginia Certification of Compliance

The company has reviewed the enclosed policy form(s) and certifies that, to the best of its knowledge and belief, each form submitted is consistent and complies with the requirements of Title 38.2 of the Code of Virginia and the regulations promulgated pursuant thereto.



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Signature

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John L. Timmerberg

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Print Name

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July 1, 2019

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Date

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Vice President and Actuary

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Title

Review Requirements Checklist  
GROUP LONG-TERM CARE INSURANCE (GLTCI) (FORMS)

REVIEW REQUIREMENTS	REFERENCES	COMMENTS
<b>General Filing Requirements</b>		
Transmittal Letter	14VAC5-100-40	<b>For Paper Filings:</b> Must be submitted in duplicate for each filing, describing each form, its intended use and kind of insurance provided.
	14VAC5-100-40 1	Forms submitted and described in transmittal letter must have a number that consists of digits, letters or a combination of both.
	14VAC5-100-40 2	Must clearly indicate if forms are replacements, revisions, or modifications of previously approved forms and describe the exact changes that are intended.
	14VAC5-100-40 3	Certification of Compliance signed by General Counsel or officer of company or attorney or actuary representing company is required.
	14VAC5-100-40 5	Description of market for which form is intended.
	14VAC5-100-40 6	<b>For Paper Filings:</b> At least one copy of each form must be included in the filing. A duplicate copy of forms must be submitted if the company wants a “stamped” copy of forms for its records. A stamped self-addressed return envelope is required. The letter of transmittal must be addressed to: State Corporation Commission, Bureau of Insurance, P. O. Box 1157, Richmond, VA 23218.
	Administrative Letter 1983-7	Must include the name and individual NAIC number of the company for which the filing is made.
Variable Language		All variable information must be bracketed and explained in detail. A Statement of Variability (SOV) should be provided in all cases where variable information is presented. The SOV should be detailed and specific. It should identify each variable field appearing in the forms and describe specifically how that field will vary from the text as presented. For any variable numerical information, please express the minimum and maximum values. Any variable language must be defined sufficiently so that compliance with statutory or regulatory requirements can be determined. The SOV should be provided under Supporting Documentation.
<b>Additional SERFF Filing Requirements</b>	<b>Administrative Letter 2012-03</b>	<b>Additional SERFF filing requirements must be met as specified below for life and health forms and rate filings.</b>
<b>General Information – Filing Description</b>		(i) Description of each form by name, title, edition date, other; and intended use.
		(ii) Identification of changes in benefits and premiums (previously approved or filed forms). [Place changed contract provisions (red-lined or highlighted) in Supporting Documentation].
		(iii) Identification of SERFF or state tracking number for the previously approved or filed form for which the new form revises, replaces, or is intended to be used.

Review Requirements Checklist  
GROUP LONG-TERM CARE INSURANCE (GLTCI) (FORMS)

REVIEW REQUIREMENTS	REFERENCES	COMMENTS
		(iv) A statement as to whether any other regulatory body has withdrawn approval of the form because the form contains one or more provisions that were deemed to be misleading, deceptive or contrary to public policy.
<b>HELP TIP:</b>		If a form or rate filing is submitted as new in Virginia, but was previously disapproved or withdrawn in Virginia, please provide details such as the state tracking information, form number, and the date that the form or rate filing was disapproved or withdrawn, if available.
<b>Rate Changes</b>		(i) Specify the number of affected policyholders.
		(ii) Provide the reason(s) for the proposed change(s).
		(iii) Include a statement regarding an increase, decrease, revision of former rates.
		(iv) Specify the percentage amount(s) of the change(s).
<b>Forms</b>		
Form Number	14VAC5-100-50 1	Form number must appear in lower left-hand corner of first page of each form.
Company Name & Address	14VAC5-100-50 2	Full and proper corporate name (including "Inc.") must prominently appear on cover sheet of all policies and other forms. Home office address of insurer must prominently appear on each policy.
Final Form	14VAC5-100-50 3	Form must be submitted in the form in which it will be issued and completed in "John Doe" fashion to indicate its intended use.
Application	14VAC5-100-50 4	Any form, which is to be issued with an attached application, must be filed with a copy of the application completed in "John Doe" fashion to indicate its intended use. (If an application was previously approved, advise date of approval).
Type Size	14VAC5-100-50 5	Forms must be printed with type size of at least 8-point type.
LTC Caution Notice	14VAC5-200-80 C 2	Required language <b>in bold print</b> .
Notice to Buyer	14VAC5-200-170 A 3	Required language.
Arbitration	§ 38.2-312	Contract may not deprive courts of Virginia jurisdiction in actions against insurer. Arbitration may not be binding.
Fraud Notice	§ 38.2-316 D 1	Title 38.2 of the Code of Virginia does not define "Insurance Fraud". Any fraud notice that includes the term "insurance fraud" is not in compliance with this section of the Code. In Virginia, a fraud notice relating to life insurance, annuities, accident and sickness, health maintenance organizations, health services plans, credit accident and sickness and credit life insurance should not include references to imprisonment or fines. Variations in a notice warning of consequences of making fraudulent statements will be considered.
30-Day Free Look	§ 38.2-5208	

Review Requirements Checklist  
GROUP LONG-TERM CARE INSURANCE (GLTCI) (FORMS)

REVIEW REQUIREMENTS	REFERENCES	COMMENTS
<b>General Policy Provisions</b>		
Contents of Policies	§ 38.2-305 A	Each policy/contract shall specify the: (1) The names of the parties to the contract, (2) The subject of the insurance, (3) The risk insured against, (4) The time the insurance takes effect, and the period during which the insurance is to continue, (5) The conditions pertaining to insurance.
Important Notice	§ 38.2-305 B	Each new or renewal policy/contract/certificate/evidence of coverage shall be accompanied by an important notice as stated in the statute.
Grace Period	§ 38.2-3527	Each policy shall contain a provision that the policyholder is entitled to a grace period of not less than 31 days for the payment of any premium due, except for the first premium.
Entire Contract	§ 38.2-3529	Each policy shall contain a provision that the policy, any application of the policyowner, and any individual applications of the persons insured shall constitute the entire contract between the parties. It shall state that a copy of the application of the policyowner shall be attached to policy when issued, that all statements made by the policyowner and insured shall be deemed representations and not warranties and that no written statement made by any person insured shall be used in any contest unless a copy of the statement is furnished to the person, his beneficiary or personal representative.
Misstatement of Age	§ 38.2-3532	Each policy shall contain a provision that an equitable adjustment of premiums, benefits, or both, shall be made if the age of a person insured has been misstated.
Individual Certificates	§ 38.2-3533	Each policy shall contain a provision that the insurer will issue to the policyholder for delivery to each person insured a certificate of insurance.
Notice of Claim	§ 38.2-3534	Each policy shall contain a provision that written notice of claim shall be given to the insurer within 20 days after the occurrence or commencement of any loss covered by the policy.
Claim Forms	§ 38.2-3535	Each policy shall contain a provision that the insurer shall furnish forms for filing proof of loss within 15 days after the insurer has received notice of any claim.
Proof of Loss	§ 38.2-3536	Each policy shall contain a provision that written proof of loss shall be furnished to the insurer within 90 days after the date of loss.
Time Payment of Claims	§ 38.2-3537	Each policy shall contain a provision that all benefits payable under the policy other than benefits for a loss of time shall be payable within 60 days after receipt of proof of loss.
Payment of Claims	§ 38.2-3538	Each policy shall contain a provision that benefits for loss of life of the person insured shall be payable to the beneficiary designated by the person insured. If policy contains family status conditions, beneficiary may be the family member specified by the policy.

Review Requirements Checklist  
GROUP LONG-TERM CARE INSURANCE (GLTCI) (FORMS)

REVIEW REQUIREMENTS	REFERENCES	COMMENTS
Physical Examinations and Autopsy	§ 38.2-3539	Each policy shall contain a provision that the insurer shall have the right to examine the policy for whom a claim is made, when and as often as it may reasonably require during the pendency of a claim or make an autopsy where it is not prohibited by law.
Legal Actions	§ 38.2-3540	Each policy shall contain a provision that no action at law or in equity shall be brought to recover on a policy within 60 days after proof of loss has been filed in accordance with policy requirements and that no such action shall be brought after the expiration of 3 years from the time that proof of loss was required to be filed.
Claims Experience (Applies to employer groups only)	§ 38.2-3540.1	Each policy shall contain a provision that a complete record of the policyholders' claim experience shall be provided, upon request. This record shall be made available not less than 30 days prior to the date upon which premiums or contractual terms of policy may be amended.
Termination Notice	§ 38.2-3542	Written notice of termination must be provided to certain employers prior to termination of coverage.
Incontestability	§ 38.2-5209	The provision contains specific incontestability language for long-term care insurance.
Continuation or Conversion	14VAC5-200-60 D	Mandatory except for reasons stated.
Discontinuance and Replacement	14VAC5-200-60 E	Coverage and premium requirements under the replacement policy.
Unintentional Lapse	14VAC5-200-65 A 3	The policy must specify an additional 30 days for an unintentional lapse of coverage.
Reinstatement	14VAC5-200-65 B	Reinstatement in the event of lapse if due to cognitive impairment or had a loss of functional capacity.
<b>Prohibited Provisions</b>		
Subrogation	§ 38.2-3405 A	No policy shall contain a provision regarding subrogation of any person's right to recovery for personal injuries from a third person.
Liability Insurance	§ 38.2-3405 B	Benefits may not be reduced due to benefits payable due to benefits provided by a liability insurance contract.
Workers' Compensation	§ 38.2-3405 D	The statute discusses exceptions to exclusions due to benefits payable under workers' compensation.
	§ 38.2-5203	Specified provisions prohibited.
	§ 38.2-5205 A	Prior institutionalization may not be a requirement to receive benefits.
Minimum Standards for Home Health Care	14VAC5-200-90	The minimum standards include prohibited exclusions and restrictions regarding home health care benefits.
	14VAC5-200-190	Preexisting conditions and waiting periods may not be used in replacement policies.
<b>LTC Policy Requirements</b>		
Rates	§ 38.2-316	Rates must be filed.
Duration of Benefits	§ 38.2-5200	Coverage must be provided for a minimum of 12 months.

Review Requirements Checklist  
GROUP LONG-TERM CARE INSURANCE (GLTCI) (FORMS)

REVIEW REQUIREMENTS	REFERENCES	COMMENTS
Policy Definitions	§ 38.2-5200 14VAC5-200-50	Certain terms defined.
Preexisting Conditions	§ 38.2-5204 14VAC5-200-70 D	Defines look-back period and limitation period for preexisting conditions. If policy includes limitations due to a preexisting condition, such limitations must be included and labeled as "Preexisting Condition Limitations".
Limitations or Conditions on Eligibility for Benefits	§ 38.2-5205 B 14VAC5-200-187	Permissible benefit triggers and requirements.
Nonforfeiture Benefit Requirement	§ 38.2-5210 14VAC5-200-185 B	Offer made to the policyholder. Refer to the regulation for specifics.
Readability Certification	14VAC5-110-60	Readability certification is required if policy issued to a group with fewer than 10 members.
	14VAC5-130-60 A and 14VAC5-130-60 B	The regulation specifies rate filing and actuarial memorandum requirements.
Definitions	14VAC5-200-40	
Limitations and Exclusions	14VAC5-200-60 B	
Extension of Benefits	14VAC5-200-60 C	
UCR	14VAC5-200-70 C	The term must be defined if benefits are based on usual, reasonable and customary charges.
Required to Offer Inflation Protection	14VAC5-200-100 A	
Policy Issued Out-of-State Covering Residents of VA	14VAC5-200-155	Must submit proof that the group policy or certificate has been approved by a state having statutory or regulatory long-term insurance requirements similar to those in VA.
LTC Personal Worksheet	14VAC5-200-175 C 2	Must be in no less than 12-point type and include the information and in the form as shown in Form B.
Right to Reduce Coverage and Lower Premiums	14VAC5-200-183	The policy shall include a provision that allows the certificateholder to reduce coverage and lower the premium.
Contingent Benefit Upon Lapse	14VAC5-200-185 C	If the offer of the nonforfeiture benefit is declined, the contingent benefit upon lapse shall be provided.
<b>Disclosures</b>		
	§ 38.2-5207 1; 14VAC5-200-200	The statute requires that an outline of coverage be provided to the insured. The statute also specifies the information that should be included in the outline.
	§ 38.2-5207 2 c	Statement that group master policy should be consulted to determine governing contractual provisions.
	§ 38.2-5207 4 14VAC5-200-70 H	Prominent disclosure identifying a certificate is a qualified long-term care insurance policy/certificate or a federally tax-qualified long-term care insurance contract.
Policies that include issue ages of 65 or higher	14VAC5-170-150 E 1	Any policy marketed to persons age 65 or older must contain a notice that discloses that the policy is not a Medicare supplement policy or certificate.

Review Requirements Checklist  
GROUP LONG-TERM CARE INSURANCE (GLTCI) (FORMS)

REVIEW REQUIREMENTS	REFERENCES	COMMENTS
Applies to policies where premiums can be revised	14VAC5-200-70 A 2	The policy shall include a clear and prominent statement in bold type and all capital letters that the premium rates may be increased.
	14VAC5-200-70 I	A non-tax-qualified plan must disclose that the policy is not intended to be a qualified long-term care insurance contract.
	14VAC5-200-75 D	Any reference to a premium increase shall disclose that notice of premium increase shall be at least 75 days prior to implementation of premium rate schedule.
<b>Rates</b>	§ 38.2-316	
		Complete one of the following checklists as indicated:
		FOR NEW LONG-TERM CARE INSURANCE (LTCI) RATES
		FOR REVISION TO LONG-TERM CARE INSURANCE (LTCI) RATES

**Access to Administrative Letters, Administrative Orders, Regulations and Laws is available at:**  
**<http://www.scc.virginia.gov/boi/laws.aspx>**

The Forms and Rates Section of the Life and Health Division reviews group long-term care insurance (GLTCI) (FORMS). Please contact this section at (804) 371-9110 if you have questions or need additional information about this line of insurance.



Review Requirements Checklist  
GROUP LONG-TERM CARE INSURANCE (GLTCI) (FORMS)

I hereby certify that I have reviewed the attached group long-term care insurance (GLTCI) (FORMS) filing and determined that it is in compliance with the group long-term care insurance (GLTCI) (FORMS) checklist.

Signed: \_\_\_\_\_

Name (please print): John L. Timmerberg, ASA, MAAA

Company Name: The Prudential Insurance Company of America

Date: July 1, 2019 Phone No: ( 973-802-6596 ) FAX No: ( ) 973-802-5533

E-Mail Address: john.timmerberg@prudential.com

**Appendix A**  
**The Prudential Insurance Company of America**  
**GLTC4**

**Virginia**

**Requested Rate Increase**

<u>Benefit Type</u>	<u>Requested Amount</u>
All	10.0%

**8. Average Annual Premium**

<u>Rate Basis</u>	<u>Virginia</u>	<u>Nationwide</u>
Without Increase	\$1,487	\$1,537
With Increase	\$1,636	\$1,690

**13. Satisfaction of Loss Ratio Requirements**

Rate Stability Requirement:

1) Total Incurred Claims	\$1,292,057,912
58% of initial premium	\$847,965,905
85% of increased premium	\$67,887,444
2) Sum of 58%/85% premium	\$915,853,349
Is 1 greater than 2?	Yes

**16. Lifetime Loss Ratio**

<u>Policy type</u>	<u>Without Increase</u>	<u>With Increase</u>
All	89%	84%

**17. History of Rate Adjustments**

No prior rate increases

**18. Number of Policyholders and Annualized Premium as of June 30, 2018**

<u>Policy type</u>	<u>Policies Inforce</u>		<u>Premium Inforce</u>	
	<u>Virginia</u>	<u>Nationwide</u>	<u>Virginia</u>	<u>Nationwide</u>
All	2,358	44,819	\$3,507,257	\$68,867,547

**22. Projected Loss Ratio**

(a) Projected target lifetime loss ratio with rate increase	84%
(b) Lifetime loss ratio with rate increase and 10% moderately adverse load to future incurred claims	92%

Appendix B  
The Prudential Insurance Company of America  
Historical and Projected Experience  
Nationwide Experience  
Virginia Premium Rate Basis  
GLTC4

**Historical**

Calendar Year	Earned Premium	Reserve Transfer	Earned Premium + Reserve Transfer	Paid Claims	Claim Reserve	Incurred Claims	Incurred Ratio
2009	19,435	946,173	965,608	0	0	0	0%
2010	861,977	3,392,047	4,254,024	73,388	0	73,388	2%
2011	6,599,830	19,881,212	26,481,042	569,071	288,803	857,874	3%
2012	42,017,861	82,511,107	124,528,968	3,689,039	1,072,727	4,761,766	4%
2013	60,821,734	9,935,605	70,757,339	4,456,737	1,082,029	5,538,766	8%
2014	63,927,388	0	63,927,388	6,497,218	4,724,788	11,222,006	18%
2015	65,463,588	0	65,463,588	6,268,171	6,581,423	12,849,594	20%
2016	66,101,128	0	66,101,128	4,919,827	8,649,366	13,569,193	21%
2017	66,605,589	0	66,605,589	3,108,936	12,032,532	15,141,468	23%
2018*	34,043,184	0	34,043,184	324,270	8,189,488	8,513,758	25%

**Projection without Rate Increase**

Calendar Year	Earned Premium	Incurred Claims	Incurred Ratio
2018**	33,885,941	8,690,503	26%
2019	66,541,383	18,892,179	28%
2020	64,941,103	20,976,538	32%
2021	63,376,428	23,176,845	37%
2022	61,869,213	25,499,955	41%
2023	60,395,060	28,149,864	47%
2024	58,964,607	31,093,409	53%
2025	57,541,624	34,305,776	60%
2026	56,096,259	37,783,349	67%
2027	54,613,741	41,374,543	76%
2028	53,078,477	45,129,723	85%
2029	51,481,886	49,217,599	96%
2030	49,819,449	53,563,686	108%
2031	48,090,674	57,910,832	120%
2032	46,301,358	62,143,957	134%
2033	44,461,718	66,533,381	150%
2034	42,577,068	71,077,237	167%
2035	40,654,675	75,552,842	186%
2036	38,703,825	79,827,701	206%
2037	36,730,821	83,894,934	228%
2038	34,731,469	87,684,306	252%
2039	32,704,187	91,087,954	279%
2040	30,649,128	93,955,206	307%
2041	28,578,711	96,155,216	336%
2042	26,512,814	97,727,667	369%
2043	24,476,702	98,656,805	403%
2044	22,490,166	98,942,813	440%
2045	20,565,883	98,585,354	479%
2046	18,714,376	97,555,848	521%
2047	16,947,249	95,921,798	566%
2048	15,269,800	93,727,413	614%
2049	13,689,204	91,017,041	665%
2050	12,210,639	87,854,857	719%
2051	10,836,951	84,313,608	778%
2052	9,571,801	80,518,084	841%
2053	8,413,124	76,513,062	909%
2054	7,359,384	72,359,095	983%
2055	6,407,439	68,087,441	1063%
2056	5,552,474	63,716,482	1148%
2057+	30,519,682	635,896,620	2084%

\* Historical 2018 Experience - 1/1/2018 through 6/30/2018

\*\* Projected 2018 Experience - 7/1/2018 through 12/31/2018

**Projection with Rate Increase**

Calendar Year	Earned Premium	Incurred Claims	Incurred Ratio
2018**	33,885,941	8,690,503	26%
2019	67,300,035	18,820,688	28%
2020	69,129,121	20,509,751	30%
2021	67,762,076	22,619,460	33%
2022	66,150,563	24,884,464	38%
2023	64,574,398	27,467,474	43%
2024	63,044,958	30,336,543	48%
2025	61,523,505	33,467,304	54%
2026	59,978,120	36,856,278	61%
2027	58,393,012	40,355,547	69%
2028	56,751,507	44,013,986	78%
2029	55,044,433	47,996,304	87%
2030	53,266,955	52,229,338	98%
2031	51,418,549	56,462,677	110%
2032	49,505,411	60,584,389	122%
2033	47,538,469	64,857,312	136%
2034	45,523,401	69,279,927	152%
2035	43,467,979	73,635,324	169%
2036	41,382,130	77,794,779	188%
2037	39,272,594	81,751,040	208%
2038	37,134,887	85,435,610	230%
2039	34,967,317	88,744,247	254%
2040	32,770,048	91,529,913	279%
2041	30,556,358	93,665,126	307%
2042	28,347,501	95,188,583	336%
2043	26,170,490	96,085,171	367%
2044	24,046,486	96,355,257	401%
2045	21,989,043	95,998,944	437%
2046	20,009,411	94,988,548	475%
2047	18,119,998	93,389,842	515%
2048	16,326,470	91,246,078	559%
2049	14,636,497	88,600,558	605%
2050	13,055,616	85,515,994	655%
2051	11,586,868	82,063,163	708%
2052	10,234,170	78,363,444	766%
2053	8,995,313	74,460,491	828%
2054	7,868,653	70,413,262	895%
2055	6,850,834	66,252,270	967%
2056	5,936,705	61,995,377	1044%
2057+	32,631,644	618,481,688	1895%

**Loss Ratio Summaries**

Accumulated Value of Historical to 6/30/2018	609,266,578	80,596,669	13%	609,266,578	80,596,669	13%
Present Value of Future to 6/30/2018	878,146,397	1,242,768,868	142%	932,611,185	1,211,461,243	130%
Total Values	1,487,412,974	1,323,365,537	89%	1,541,877,763	1,292,057,912	84%
(Discounted at 4.0%)						

<b>Projected Loss Ratio</b>		Without Increase		With Increase
Overall		89%		84%

Minimum Lifetime Loss Ratio 60%

Appendix F  
The Prudential Insurance Company of America  
Historical and Projected Experience  
Virginia Experience  
Virginia Premium Rate Basis  
GLTC4

**Historical**

Calendar Year	Earned Premium	Reserve Transfer	Earned Premium + Reserve Transfer	Paid Claims	Claim Reserve	Incurred Claims	Incurred Ratio
2009	0	3,559	3,559	0	0	0	0%
2010	10,229	0	10,229	0	0	0	0%
2011	242,006	1,024,930	1,266,936	0	0	0	0%
2012	1,451,997	1,011,765	2,463,762	0	0	0	0%
2013	3,010,313	4,051,199	7,061,512	35,885	0	35,885	1%
2014	3,335,615	0	3,335,615	46,180	318,021	364,201	11%
2015	3,452,977	0	3,452,977	227,353	439,233	666,586	19%
2016	3,493,397	0	3,493,397	233,486	210,864	444,350	13%
2017	3,490,879	0	3,490,879	51,270	172,363	223,634	6%
2018*	1,744,532	0	1,744,532	22,287	129,579	151,866	9%

**Projection without Rate Increase**

Calendar Year	Earned Premium	Incurred Claims	Incurred Ratio
2018**	1,736,858	329,597	19%
2019	3,415,832	723,225	21%
2020	3,339,848	810,057	24%
2021	3,268,120	903,192	28%
2022	3,199,106	1,012,370	32%
2023	3,132,143	1,140,185	36%
2024	3,066,605	1,275,402	42%
2025	3,000,847	1,419,294	47%
2026	2,933,420	1,589,391	54%
2027	2,863,498	1,770,965	62%
2028	2,790,550	1,963,936	70%
2029	2,714,159	2,175,205	80%
2030	2,634,062	2,408,551	91%
2031	2,549,503	2,647,295	104%
2032	2,460,515	2,884,226	117%
2033	2,367,272	3,131,681	132%
2034	2,269,932	3,385,701	149%
2035	2,168,469	3,637,097	168%
2036	2,064,121	3,877,554	188%
2037	1,957,210	4,105,677	210%
2038	1,847,868	4,313,166	233%
2039	1,736,181	4,495,508	259%
2040	1,622,830	4,647,741	286%
2041	1,508,550	4,764,798	316%
2042	1,394,635	4,844,236	347%
2043	1,282,439	4,878,985	380%
2044	1,173,015	4,872,701	415%
2045	1,067,216	4,834,027	453%
2046	965,668	4,763,987	493%
2047	869,044	4,658,893	536%
2048	777,801	4,516,285	581%
2049	692,333	4,336,414	626%
2050	612,889	4,135,262	675%
2051	539,589	3,920,781	727%
2052	472,608	3,698,948	783%
2053	411,857	3,471,604	843%
2054	357,188	3,238,591	907%
2055	308,330	3,008,228	976%
2056	265,004	2,788,206	1052%
2057+	1,441,085	29,443,007	2043%

**Projection with Rate Increase**

Calendar Year	Earned Premium	Incurred Claims	Incurred Ratio
2018**	1,736,858	329,597	19%
2019	3,454,777	720,432	21%
2020	3,555,233	791,732	22%
2021	3,494,274	881,173	25%
2022	3,420,485	987,647	29%
2023	3,348,887	1,112,284	33%
2024	3,278,814	1,244,134	38%
2025	3,208,506	1,384,427	43%
2026	3,136,413	1,550,253	49%
2027	3,061,652	1,727,238	56%
2028	2,983,656	1,915,312	64%
2029	2,901,979	2,121,205	73%
2030	2,816,339	2,348,576	83%
2031	2,725,929	2,581,154	95%
2032	2,630,783	2,811,917	107%
2033	2,531,087	3,052,912	121%
2034	2,427,011	3,300,265	136%
2035	2,318,527	3,545,001	153%
2036	2,206,958	3,779,032	171%
2037	2,092,649	4,001,012	191%
2038	1,975,740	4,202,844	213%
2039	1,856,324	4,380,151	236%
2040	1,735,130	4,528,093	261%
2041	1,612,941	4,641,739	288%
2042	1,491,143	4,718,721	316%
2043	1,371,184	4,752,161	347%
2044	1,254,188	4,745,632	378%
2045	1,141,068	4,707,568	413%
2046	1,032,492	4,638,974	449%
2047	929,182	4,536,266	488%
2048	831,625	4,397,064	529%
2049	740,243	4,221,615	570%
2050	655,301	4,025,486	614%
2051	576,929	3,816,419	662%
2052	505,313	3,600,230	712%
2053	440,358	3,378,712	767%
2054	381,905	3,151,712	825%
2055	329,666	2,927,325	888%
2056	283,342	2,713,034	958%
2057+	1,540,808	28,636,413	1859%

\* Historical 2018 Experience - 1/1/2018 through 6/30/2018

\*\* Projected 2018 Experience - 7/1/2018 through 12/31/2018

**Loss Ratio Summaries**

Accumulated Value of Historical to 6/30/2018	30,352,138	2,086,093	7%	30,352,138	2,086,093	7%
Present Value of Future to 6/30/2018	45,797,259	57,418,687	125%	48,643,028	55,966,084	115%
Total Values	76,149,397	59,504,780	78%	78,995,166	58,052,177	73%
(Discounted at 4.0%)						

<b>Projected Loss Ratio</b>		Without Increase		With Increase
Overall		78%		73%

**Appendix E**  
**The Prudential Insurance Company of America**  
**Distribution of Inforce Business as of June 30, 2018**  
**GLTC4**

	Count	% of Count	Premium	% of Premium
<b>Issue Year</b>				
2009	141	0.3%	93,393	0.1%
2010	2,685	6.0%	2,944,425	4.3%
2011	8,546	19.1%	13,358,668	19.4%
2012	26,655	59.5%	42,666,980	62.0%
2013	6,535	14.6%	9,342,119	13.6%
2014	87	0.2%	150,476	0.2%
2015	41	0.1%	86,480	0.1%
2016	45	0.1%	66,966	0.1%
2017	82	0.2%	155,410	0.2%
2018	2	0.0%	2,630	0.0%
Total	44,819	100.0%	68,867,547	100.0%

<b>Issue Age</b>				
Under 30	760	1.7%	311,569	0.5%
30-34	1,681	3.8%	925,529	1.3%
35-39	3,098	6.9%	2,310,125	3.4%
40-44	5,544	12.4%	5,355,957	7.8%
45-49	7,990	17.8%	9,798,205	14.2%
50-54	10,642	23.7%	16,534,006	24.0%
55-59	8,717	19.4%	16,714,336	24.3%
60-64	4,808	10.7%	11,486,734	16.7%
65-69	1,240	2.8%	3,915,337	5.7%
70-74	280	0.6%	1,181,763	1.7%
75-79	48	0.1%	261,019	0.4%
80+	11	0.0%	72,968	0.1%
Total	44,819	100.0%	68,867,547	100.0%

Average Issue Age 50.3

**Appendix E**  
**The Prudential Insurance Company of America**  
**Distribution of Inforce Business as of June 30, 2018**  
**GLTC4**

	Count	% of Count	Premium	% of Premium
<b>Attained Age</b>				
Under 30	49	0.1%	24,531	0.0%
30-34	237	0.5%	85,034	0.1%
35-39	713	1.6%	302,213	0.4%
40-44	1,425	3.2%	851,509	1.2%
45-49	2,840	6.3%	2,216,906	3.2%
50-54	4,514	10.1%	4,348,579	6.3%
55-59	7,564	16.9%	9,123,858	13.2%
60-64	9,379	20.9%	13,617,860	19.8%
65-69	8,672	19.3%	15,241,618	22.1%
70-74	5,744	12.8%	12,493,454	18.1%
75-79	2,482	5.5%	6,568,658	9.5%
80+	1,200	2.7%	3,993,327	5.8%
Total	44,819	100.0%	68,867,547	100.0%

Average Attained Age 61.6

<b>Gender</b>				
Male	20,638	46.0%	32,893,346	47.8%
Female	24,181	54.0%	35,974,200	52.2%
Total	44,819	100.0%	68,867,547	100.0%

<b>Inflation Option</b>				
No Inflation	729	1.6%	210,657	0.3%
GPO	39,067	87.2%	56,080,167	81.4%
5% Simple Lifetime	1,647	3.7%	2,989,545	4.3%
5% Compound up to Double	2	0.0%	2,578	0.0%
5% Compound Lifetime	3,374	7.5%	9,584,601	13.9%
Total	44,819	100.0%	68,867,547	100.0%

<b>Elimination Period</b>				
30 Day	3,595	8.0%	6,280,474	9.1%
60 Day	3,149	7.0%	5,884,409	8.5%
90 Day	38,075	85.0%	56,702,664	82.3%
Total	44,819	100.0%	68,867,547	100.0%

<b>Benefit Period</b>				
2 Years	106	0.2%	37,463	0.1%
3 Years	17,521	39.1%	21,342,268	31.0%
5 Years	25,609	57.1%	44,349,207	64.4%
7 Years	1,163	2.6%	2,048,678	3.0%
10 Years	417	0.9%	1,087,300	1.6%
Lifetime	3	0.0%	2,631	0.0%
Total	44,819	100.0%	68,867,547	100.0%

**Appendix E**  
**The Prudential Insurance Company of America**  
**Distribution of Inforce Business as of June 30, 2018**  
**GLTC4**

	Count	% of Count	Premium	% of Premium
<b>Premium Period</b>				
Lifetime	44,819	100.0%	68,867,547	100.0%
Total	44,819	100.0%	68,867,547	100.0%

<b>Marital Status</b>				
Composite	38,450	85.8%	60,121,118	87.3%
Married	4,060	9.1%	5,287,655	7.7%
Single	2,309	5.2%	3,458,774	5.0%
Total	44,819	100.0%	68,867,547	100.0%

<b>Insured Type</b>				
Employee	34,857	77.8%	52,780,223	76.6%
Spouse	8,615	19.2%	13,416,324	19.5%
Assoc	385	0.9%	706,604	1.0%
Other	962	2.1%	1,964,396	2.9%
Total	44,819	100.0%	68,867,547	100.0%

<b>Underwriting Category</b>				
Full	5,606	12.5%	9,212,338	13.4%
Guaranteed Issue (Including Core)	34,859	77.8%	52,784,176	76.6%
Simplified Issue	4,354	9.7%	6,871,033	10.0%
Total	44,819	100.0%	68,867,547	100.0%

<b>Benefit Measure</b>				
Daily	44,792	99.9%	68,819,850	99.9%
Monthly	27	0.1%	47,697	0.1%
Total	44,819	100.0%	68,867,547	100.0%

<b>Reimbursement Type</b>				
Reimbursement	44,819	100.0%	68,867,547	100.0%
Total	44,819	100.0%	68,867,547	100.0%

**Appendix E**  
**The Prudential Insurance Company of America**  
**Distribution of Inforce Business as of June 30, 2018**  
**GLTC4**

	Count	% of Count	Premium	% of Premium
<b>Issue State</b>				
AK	29	0.1%	41,898	0.1%
AL	194	0.4%	45,912	0.1%
AR	72	0.2%	103,517	0.2%
AZ	252	0.6%	282,881	0.4%
CA	2	0.0%	1,442	0.0%
CO	371	0.8%	314,576	0.5%
CT	1,439	3.2%	2,567,684	3.7%
DC	290	0.6%	524,863	0.8%
DE	6,613	14.8%	10,653,972	15.5%
FL	2	0.0%	2,278	0.0%
GA	273	0.6%	217,657	0.3%
IA	129	0.3%	159,819	0.2%
ID	91	0.2%	126,298	0.2%
IL	896	2.0%	1,308,890	1.9%
IN	354	0.8%	507,057	0.7%
KS	141	0.3%	207,450	0.3%
KY	41	0.1%	69,081	0.1%
LA	216	0.5%	278,529	0.4%
MA	3,371	7.5%	6,381,689	9.3%
MD	1,353	3.0%	2,278,225	3.3%
MI	7,910	17.6%	11,987,873	17.4%
MN	529	1.2%	693,816	1.0%
MO	710	1.6%	1,061,952	1.5%
MS	65	0.1%	103,148	0.1%
MT	52	0.1%	80,761	0.1%
NC	408	0.9%	480,116	0.7%
NE	52	0.1%	62,784	0.1%
NH	205	0.5%	448,068	0.7%
NJ	3,732	8.3%	5,601,283	8.1%
NM	72	0.2%	120,298	0.2%
NV	109	0.2%	151,103	0.2%
NY	2,608	5.8%	4,870,271	7.1%
OH	2,154	4.8%	2,853,611	4.1%
OK	146	0.3%	204,332	0.3%
OR	571	1.3%	773,102	1.1%
PA	2,548	5.7%	4,435,145	6.4%
PR	1	0.0%	492	0.0%
RI	137	0.3%	149,776	0.2%
SC	542	1.2%	664,985	1.0%
SD	7	0.0%	16,182	0.0%
TN	777	1.7%	1,180,364	1.7%
TX	438	1.0%	511,589	0.7%
UT	1,056	2.4%	918,305	1.3%
VA	2,358	5.3%	3,507,257	5.1%
VT	39	0.1%	74,978	0.1%
WA	1,428	3.2%	1,801,865	2.6%
WI	33	0.1%	37,244	0.1%
WV	3	0.0%	3,130	0.0%
<b>Total</b>	<b>44,819</b>	<b>100.0%</b>	<b>68,867,547</b>	<b>100.0%</b>



**Appendix E**  
**The Prudential Insurance Company of America**  
**Virginia Distribution of Inforce Business as of June 30, 2018**  
**GLTC4**

	Count	% of Count	Premium	% of Premium
<b>Issue Year</b>				
2009	0	0.0%	0	0.0%
2010	22	0.9%	22,014	0.6%
2011	466	19.8%	711,076	20.3%
2012	555	23.5%	1,029,250	29.3%
2013	1,313	55.7%	1,738,062	49.6%
2014	2	0.1%	6,854	0.2%
2015	0	0.0%	0	0.0%
2016	0	0.0%	0	0.0%
2017	0	0.0%	0	0.0%
2018	0	0.0%	0	0.0%
Total	2,358	100.0%	3,507,257	100.0%

<b>Issue Age</b>				
Under 30	24	1.0%	9,620	0.3%
30-34	74	3.1%	47,559	1.4%
35-39	128	5.4%	81,262	2.3%
40-44	240	10.2%	188,795	5.4%
45-49	407	17.3%	409,810	11.7%
50-54	552	23.4%	772,325	22.0%
55-59	554	23.5%	1,030,344	29.4%
60-64	320	13.6%	769,296	21.9%
65-69	47	2.0%	153,627	4.4%
70-74	10	0.4%	35,091	1.0%
75-79	2	0.1%	9,528	0.3%
80+	0	0.0%	0	0.0%
Total	2,358	100.0%	3,507,257	100.0%

Average Issue Age 51.4

**Appendix E**  
**The Prudential Insurance Company of America**  
**Virginia Distribution of Inforce Business as of June 30, 2018**  
**GLTC4**

	Count	% of Count	Premium	% of Premium
<b>Attained Age</b>				
Under 30	0	0.0%	0	0.0%
30-34	11	0.5%	4,154	0.1%
35-39	31	1.3%	19,446	0.6%
40-44	72	3.1%	42,129	1.2%
45-49	122	5.2%	82,909	2.4%
50-54	228	9.7%	191,944	5.5%
55-59	420	17.8%	493,578	14.1%
60-64	534	22.6%	772,421	22.0%
65-69	474	20.1%	829,838	23.7%
70-74	345	14.6%	706,691	20.1%
75-79	99	4.2%	273,313	7.8%
80+	22	0.9%	90,835	2.6%
Total	2,358	100.0%	3,507,257	100.0%

Average Attained Age 61.6

<b>Gender</b>				
Male	1,176	49.9%	1,860,738	53.1%
Female	1,182	50.1%	1,646,520	46.9%
Total	2,358	100.0%	3,507,257	100.0%

<b>Inflation Option</b>				
No Inflation	24	1.0%	23,077	0.7%
GPO	2,123	90.0%	2,868,789	81.8%
5% Simple Lifetime	47	2.0%	100,052	2.9%
5% Compound up to Double	0	0.0%	0	0.0%
5% Compound Lifetime	164	7.0%	515,338	14.7%
Total	2,358	100.0%	3,507,257	100.0%

<b>Elimination Period</b>				
30 Day	43	1.8%	85,877	2.4%
60 Day	76	3.2%	141,786	4.0%
90 Day	2,239	95.0%	3,279,594	93.5%
Total	2,358	100.0%	3,507,257	100.0%

<b>Benefit Period</b>				
2 Years	8	0.3%	1,416	0.0%
3 Years	1,212	51.4%	1,425,766	40.7%
5 Years	1,089	46.2%	1,953,582	55.7%
7 Years	19	0.8%	42,728	1.2%
10 Years	30	1.3%	83,766	2.4%
Lifetime	0	0.0%	0	0.0%
Total	2,358	100.0%	3,507,257	100.0%

**Appendix E**  
**The Prudential Insurance Company of America**  
**Virginia Distribution of Inforce Business as of June 30, 2018**  
**GLTC4**

	Count	% of Count	Premium	% of Premium
<b>Premium Period</b>				
Lifetime	2,358	100.0%	3,507,257	100.0%
Total	2,358	100.0%	3,507,257	100.0%

<b>Marital Status</b>				
Composite	2,060	87.4%	3,064,121	87.4%
Married	205	8.7%	281,665	8.0%
Single	93	3.9%	161,472	4.6%
Total	2,358	100.0%	3,507,257	100.0%

<b>Insured Type</b>				
Employee	1,899	80.5%	2,793,003	79.6%
Spouse	426	18.1%	631,486	18.0%
Assoc	10	0.4%	27,427	0.8%
Other	23	1.0%	55,341	1.6%
Total	2,358	100.0%	3,507,257	100.0%

<b>Underwriting Category</b>				
Full	342	14.5%	513,284	14.6%
Guaranteed Issue (Including Core)	1,899	80.5%	2,793,003	79.6%
Simplified Issue	117	5.0%	200,970	5.7%
Total	2,358	100.0%	3,507,257	100.0%

<b>Benefit Measure</b>				
Daily	2,358	100.0%	3,507,257	100.0%
Monthly	0	0.0%	0	0.0%
Total	2,358	100.0%	3,507,257	100.0%

<b>Reimbursement Type</b>				
Reimbursement	2,358	100.0%	3,507,257	100.0%
Total	2,358	100.0%	3,507,257	100.0%

June 26<sup>th</sup>, 2019  
Actuarial Memorandum Supporting Rate Revision for  
The Prudential Insurance Company of America  
Group Long-Term Care Insurance Plan  
Virginia

1. **Scope and Purpose**

The purpose of this memorandum is to provide actuarial information supporting a rate revision to premiums for the following The Prudential Insurance Company of America's Tax-Qualified group long-term care Forms and their associated riders:

<u>Product Name</u>	<u>Form Number</u>
GLTC4	83500 COV 5026
<u>Rider Name</u>	<u>Rider Number</u>
Automatic Compound Inflation Benefit - No Maximum	83500 LTC T 5139
Automatic Compound Inflation Benefit - 2X Maximum	83500 LTC T 5140
Automatic Simple Inflation Benefit	83500 LTC T 5141
Cash Benefit	83500 LTC T 5143
Flexible Cash Benefit	83500 LTC T 5144
Guaranteed Purchase Option	83500 LTC T 5142
Joint Waiver of Premiums Benefit	83500 LTC T 5145
Monthly Benefit	83500 LTC T 5146
Non-Forfeiture Benefit - Shortened Benefit Period	83500 LTC T 5104
Return of Premium Benefit	83500 LTC T 5148
Return of Premium Upon Death Benefit	83500 LTC T 5147
Shared Care	83500 LTC T 5150
Survivor Waiver of Premiums Benefit	83500 LTC T 5149

This product was first available nationwide in 2009. Some riders may not be available in all states. This rate filing is not intended to be used for other purposes.

These revisions are necessary because the current best estimate projections of the nationwide lifetime loss ratios are worse than the expected loss ratios. The higher lifetime loss ratios are due to adverse morbidity and persistency experience. In addition, GLTC4 was developed and filed under the rate stabilization requirements established in the 2000 LTC NAIC Model Regulation. The rate increase being requested meets the 58/85 loss ratio test established in the 2000 LTC NAIC Model Regulation.

Prudential is filing for premium rate increases in each state where policies of these forms were issued.

**Actuarial Memorandum Supporting Rate Revisions for  
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June 26<sup>th</sup>, 2019**

Upon approval of this rate revision, Prudential will communicate to policyholders their options to reduce the impact of the rate increase. There will also be opportunities for almost all certificate holders to keep the premium at or below the same level they were paying prior to the rate revision. These options will include reducing the lifetime maximum, reducing the daily benefit, eliminating optional riders. In addition, the contingent non-forfeiture benefit will be available for all certificate holders regardless of their age or rate increase amount.

Please refer to Section 20 for a description of the information contained in each Appendix included in the filing.

## **2. Description of Benefits**

The policies issued on these forms are referred as the “GLTC4” product series. This plan was a Guaranteed Renewable, Group Long-Term Care policy that were issued to eligible active employees and retirees of employer groups and eligible members of association groups. In addition, coverage was offered to spouses, surviving spouses, parents, parents-in-law, grandparents, and adult children age 18 and older and their spouses of eligible active employees/retirees and members in these groups, or otherwise qualified adults.

This product provides comprehensive long-term care coverage for care received in a nursing home, assisted living facility, home and community-based care or hospice care. This product is intended to be a Tax Qualified Long Term Care Insurance Contracts as defined by the internal revenue code section 7702B(b).

This product reimburses covered long-term care expenses subject to the amount of coverage purchased. A benefit waiting / elimination period, daily or monthly maximum benefit amount for nursing home, assisted living facility and home and community care, lifetime maximum benefit period and inflation protection option are selected by at issue. The Group client selects a limited number of benefit choices for their employees to choose from. Several optional riders were also available. The available choices can be found in the attached premium rate tables.

The benefit eligibility criteria is based on the insured’s loss of the ability to perform activities of daily living (ADLs) or having a severe cognitive impairment. Activities of Daily Living are bathing, continence, dressing, eating, toileting, and transferring. Premiums will be waived beginning the first day of the next month following when LTC benefits are payable.

## **3. Renewability Clause**

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These products are Guaranteed Renewable, Group Long Term Care policies.

#### **4.     Applicability**

The premium increase contained in this memorandum will be applicable to all certificate holders of the policy form and riders described in Section 1 as well as all future periodic inflation protection offers. The revised premium rate schedules can be found in Appendix F.

#### **5.     Actuarial Assumptions**

The actuarial assumptions used to project the future premiums and claims are described in this section. Appendix C provides further details of how the experience studies were conducted that were used to develop the actuarial assumptions. The assumptions used in this filing are Prudential's best estimate expectations of future experience as of the time of this filing and do not include any provisions for adverse experience. These assumptions are the basis for the assumptions being used in the company's internal cash flow testing.

##### **Morbidity**

The best estimate morbidity assumptions were developed based on a combination of Prudential's historical claim experience, the *Milliman 2014 Long Term Care Guidelines (Guidelines)* and judgment. The *Guidelines* reflect over 29 million life years of exposure and \$25 billion of incurred claims and the experience and judgment of Milliman actuaries. The policy design and coverages, the underwriting applied at the time, and the claim adjudication process were all considered when setting the claim cost assumptions. The claim cost assumptions reflect Prudential's current best estimate of future morbidity. The best estimate assumptions do not include an assumption for morbidity improvement. The assumptions do not include any adverse selection from the rate increase or loads for moderately adverse experience.

##### **Mortality**

The mortality assumptions were developed from a mortality study conducted on Prudential's experience and judgment. The current best estimate mortality assumption is the 2012 IAM Basic Table on an Age Last Birthday basis with mortality selection factors and mortality improvement. The mortality selection factors vary by issue age, gender and duration. The factors

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are generally below 1 in the early durations and grade to 1.05 in the ultimate (dur 30+) period. Future mortality improvement of 1% per year for 20 years (2018 through 2038) is assumed. We assumed all remaining policies would terminate at attained age 120. The assumptions do not include any loads for moderately adverse experience.

## **Lapses**

The voluntary lapse assumptions were developed from a policy persistency study conducted on Prudential's experience and judgment. The voluntary lapse assumptions are our expectations for policy terminations, by duration, for reasons other than death, benefit exhaust or benefit buy-downs. These are separate from our shock lapse assumptions which we define as terminations due to rate increases. The lapse assumptions represent the current best estimate expectations of future experience and do not include any provisions for adverse experience. Lastly, the projections include an annualized shock lapse rate of 2.8% assumed over the expected implementation period. This annual shock lapse rate represents the estimated impact of policyholders lapsing their policy due to the rate increase but maintaining a nonforfeiture benefit as well as policyholders electing benefit reductions. Voluntary lapse rates are shown below and vary by policy duration. For "Core" business, where the employer pays for the coverage, the lapse rate is 24.1%, grades to an ultimate rate of 4.5% by attained age 65 and is 0.6% AA 65+. For one specific large group, based on the credible experience of that group, the lapse rate is 0.7% and grades to an ultimate rate of 0.4% by duration 30.

<b>Duration</b>	<b>All except Core and large group client</b>	<b>Core*</b>	<b>Large Group Client**</b>
1	8.2%	24.1%	0.7%
2	5.7%	24.1%	0.7%
3	4.8%	13.5%	0.7%
4	2.1%	13.5%	0.7%
5	2.1%	13.5%	0.7%
6	2.1%	8.0%	0.7%
7	2.1%	8.0%	0.7%
8	2.1%	8.0%	0.7%
9	2.0%	8.0%	0.7%
10	1.5%	5.8%	0.65%
11	1.5%	4.5%	0.65%
12	0.9%	4.5%	0.65%
13	0.8%	4.5%	0.65%

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14	0.7%	4.5%	0.65%
15	0.65%	4.5%	0.65%
16+	0.6%	4.5%	0.65%

\*0.6% ultimate lapse rate at AA 65

\*\* Dur 30+ is 0.6%

## **Interest Rate**

An annual interest rate of 4.0% was used to calculate the lifetime loss ratio in the supporting appendices. This was determined based on the predominant number of certificates issued in years that the maximum statutory valuation rate was 4.0%.

## **Expenses**

The need for a rate increase is based on the lifetime loss ratio being in excess of the minimum loss ratio. Expenses do not directly impact the lifetime loss ratio and therefore are not used as justification for the rate increase. As such, expenses are not being projected and are not included in this filing.

## **6. Issue Age Range**

This product was available for issue ages up to 85. Premiums are based on issue age.

## **7. Area Factors**

The Company did not use area factors within the state in the premium scale for this product.

## **8. Average Annual Premium**

The average annual premium for this product for both prior to the impact of the requested rate increase, and after, is indicated in Appendix A to this memorandum.

## **9. Modal Premium Factors**



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Modal loads are required because of the varied expenses incurred by the Company and the effect of interest and persistency. The modal premium factors will remain unchanged from the current factors.

## **10. Claim Liability and Reserve**

Claim reserves were calculated using appropriate actuarial methods for IBNR and for open claims on a disabled life basis. The claim reserves were discounted to the date of incurral for each claim and have been included in the historical incurred claims.

## **11. Active Life Reserves**

We have provided supporting evidence for the justification of the proposed increase based on the relationship of incurred claims divided by earned premium compared to the minimum required loss ratios. Incurred claims exclude any change in active life reserves.

## **12. Trend Assumption**

Benefits payable are equal to or less than the daily or monthly benefit limit. We have not included any medical trend in the projections.

## **13. Requested Rate Increase and Demonstration of Satisfaction of Loss Ratio Requirements**

Prudential is requesting a 10% premium increase, to be applied to all GLTC4 inforce certificate holders.

Satisfaction of the loss ratio requirement is demonstrated in Appendix A. The demonstration is based on a 58% loss ratio on the initial premium and an 85% loss ratio on the increased premium. This approach requires that the sum of the historical and projected future incurred claims must exceed the sum of 58% of the initial premium and 85% of the increased premium.

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#### **14. Distribution of Business**

The historical experience reflects the actual distribution of policies during the experience period. We used the current distribution of business as of June 30, 2018 to project future experience. Appendix E contains the distribution of the inforce policies by key demographic and benefit characteristics.

#### **15. Experience – Past and Future**

The historical and projected nationwide, both with and without the rate increase, is contained in Appendix B. Note that there is no margin for adverse deviation in the future incurred claim projections in Appendix B. Additionally, the historical and projected nationwide experience provided is on a Virginia rate basis to avoid subsidization amongst states.

The historical and projected experience for this state, both with and without the rate increase, is contained in Appendix F. Note that there is no margin for adverse deviation in the future incurred claim projections in Appendix F.

For several groups Prudential replaced another insurer and reserves were transferred from the other insurer to Prudential. Those reserves were added to the historical premium in the year of the transfer. Any premium and claims prior to the transfer is not included.

Historical experience is shown by claim incurral year.

#### **16. Lifetime Loss Ratio**

The anticipated nationwide lifetime loss ratios, both without a rate increase and with the requested rate increase, are shown in Appendix A. The development of the updated nationwide lifetime loss ratios is shown in Appendix B.

The rate increase is assumed effective October 1, 2019 in our projections.

#### **17. History of Rate Adjustments**

There have been no previous rate increases on inforce policyholders with this policy form.

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## **18. Number of Policyholders**

The current number of policyholders as of June 30, 2018 can be found in Appendix A.

## **19. Proposed Effective Date**

This rate revision will be implemented following state approval and a minimum of a 75 day notification to the certificate holder. Implementation will be no earlier than October 1, 2019.

## **20. Summary of Appendices**

Appendix A primarily contains information that is specific to the state in which this filing is made. Examples of some items included are the requested rate increase, the average annual premium, demonstration of meeting required minimum loss ratio standards, the number of policyholders inforce, etc.

Appendix B contains historical and projected nationwide experience for all policies issued under this form on a Virginia state rate basis. The appendix also includes the projected lifetime loss ratios both without and with the proposed increase. Note that is no margin for adverse deviation in the future incurred claim projections in Appendix B.

Appendix C describes the development of the best estimate morbidity, mortality and voluntary lapse assumptions and contains three exhibits that show actual to expected experience. The expected values in these exhibits reflect Prudential's current assumptions at the time of this filing. Actual to expected results close to 100% demonstrates that the current assumptions are reasonable compared to the actual results.

Appendix D contains the premium rate pages associated with this filing.

Appendix E contains the distribution of the inforce policies by key demographic and benefit characteristics.

Appendix F contains the same information as Appendix B except it contains only state specific experience and projections.

**Actuarial Memorandum Supporting Rate Revisions for  
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June 26<sup>th</sup>, 2019**

**21. Relationship of Renewal Premium to New Business Premium.**

Prudential is no longer selling any new Long-Term Care business. Therefore, the comparison of renewal premium rates after the rate increase to the Company's current new business premium rate schedule is not applicable.

**22. Actuarial Certification**

I am a member of the American Academy of Actuaries. I meet the Academy's qualification standards for rendering this opinion and am familiar with the requirements for filing long term care insurance premiums.

To the best of my knowledge and judgment this rate filing is in compliance with the applicable laws and regulations of this State as they relate to premium rate developments and revisions.

The policy design and coverages, the underwriting used at the time of issue, and the claim adjudication process were all considered when setting the actuarial assumptions.

In forming my opinion, I have used actuarial assumptions and actuarial methods as I considered necessary. The pricing assumptions are consistent with Prudential's current best estimates and do not include a margin for adverse experience. These assumptions are used to calculate the new target lifetime loss ratio as shown in Appendix A, Section 22a.

The premium rates are not excessive or unfairly discriminatory. If the requested premium increase is implemented and the underlying assumptions with a 10% load for moderately adverse conditions are realized, no further premium rate schedule increases are anticipated.

If the future experience deteriorates beyond the 10% moderately adverse load to future incurred claims, and exceeds the lifetime ratio shown in Appendix A, Section 22b, Prudential may need to file for additional in-force premium increases on these forms. At that time, the requested increase would be recalculated to manage the block to the target lifetime loss ratio as shown in Appendix A, Section 22a.

Actuarial Memorandum Supporting Rate Revisions for  
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Group Long-Term Care Insurance Product  
June 26<sup>th</sup>, 2019

A handwritten signature in black ink, reading "John L. Timmerberg". The signature is fluid and cursive, with a large initial "J" and a stylized "T" at the end.

John L. Timmerberg, ASA, MAAA  
Vice President and Actuary  
Prudential Long Term Care  
June 26<sup>th</sup>, 2019

**Long Term Care Insurance Rate Request Summary**  
**Part 1 – To Be Completed By Company**

**Company Name and NAIC Number:** The Prudential Insurance Company of America - 304-68241

**SERFF Tracking Number:** PRUD-131998699

**Revised Rates**

**Average Annual Premium Per Member:** 10%

**Average Requested Percentage Rate Change Per Member:** 10%

**Range of Requested Rate Changes:** 10%

**Number of Virginia Policyholders Affected:** 2358

Form Number	Product Name	Issue Dates	Prior Rate Increases – Date and Percentage Approved	Outlook for Future Rate Increases
83500 COV 5026	GLTC-4	2009 - 2018	N/A	Future Rate Increases are possible

**Attach a narrative to summarize the key information used to develop the rates including the main drivers for the revised rates.**

This document is prepared by the carrier to help explain the requested rate change and is only a summary of the company's request. It is not intended to describe or include all factors or information considered in the review process. For more detailed information, please refer to the complete filing at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>.

(Rev. 06/19)

Some of Prudential's pricing assumptions for this series of forms, although based on the best information then available, were not consistent with our emerging experience. In view of this, we are requesting a total rate increase of 10% for the series of forms 83500 COV 5026 in the state of Virginia. This same increase is also being requested nationwide on comparable forms. It impacts a broad group of long term care insurance customers and is not based on any individual's personal factors, such as health status or claim history.

Prudential determined that a premium rate increase was necessary after thoroughly evaluating the factors that impact premium rates, including assumptions we make about the amount of claims we expect to pay, the life expectancy of our insureds, the number of insureds who will lapse their coverage over the life of the coverage, and prevailing interest rates.

After conducting an extensive review of our actual experience concerning each of these factors, Prudential determined that a premium increase is needed to help ensure that future premiums, in combination with existing reserves, will be adequate to fund anticipated claims.



John L. Timmerberg, ASA, MAAA  
Vice President and Actuary  
Financial Management

The Prudential Insurance Company of America  
Long Term Care Unit  
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July 1, 2019

The Honorable Scott White  
Commissioner of Insurance  
Virginia State Corporation Commission  
Bureau of Insurance  
1300 East Main Street  
Richmond, VA 23219

Re.: The Prudential Insurance Company of America  
NAIC #304-68241  
Group Long Term Care Insurance  
Form Numbers: 83500 COV 5026, et al

Dear Commissioner White:

We enclose for your review a group long-term care insurance rate schedule change. We are requesting the approval or authorization of a premium rate increase for the above referenced forms.

Form series 83500 COV 5022, et al, et al were previously approved or authorized by the Department on April 2, 2009. The product was first made available nationwide in 2009. We are no longer actively marketing this coverage.

Some of Prudential's pricing assumptions for this series of forms, although based on the best information then available, were not consistent with our emerging experience. In view of these results, we are requesting a rate increase of 10% for the series of forms 83500 COV 5022, et al in the state of Virginia.

The rate increase is needed to help ensure that future premiums, in combination with existing reserves, will be adequate to fund anticipated claims. We will continue to monitor the performance of this block of business after this rate action. It is possible that as we continue to regularly review the experience of these series of forms, another increase may be needed in the future.

The deterioration of experience relative to pricing has contributed to the need to strengthen Prudential's Reserves, depleting surplus. In 2018 Prudential increased its pre-tax GAAP reserves by \$1.5 billion to account for the impact of revised assumptions due to recent deterioration in experience. This change in GAAP reserves was primarily driven by changes to our morbidity assumptions.

The requested rate increases will not restore original profit margins, but will help Prudential avoid additional losses as well as further depletion of its surplus. Approval of the requested rate increase will also help maintain equity amongst the states. Deferring rate increases will only increase the size of needed future rate increases.



The Honorable Scott White  
July 1, 2019  
Page Two

After state approval or authorization is obtained, Prudential will establish an implementation date for impacted group contracts. The increase for impacted insureds will become effective on the first premium due date following the implementation of the rate increase established for their group. The earliest increase will be effective no earlier than October 1, 2019. Prudential will provide at least 75 days advance notice of the rate increase to the Group Contract Holder and certificateholders, according to the contractual and regulatory provisions.

We understand that a premium increase may be difficult for impacted insureds to absorb. Consequently, Prudential is prepared to offer options to enable policyholders to partially or fully offset the rate increase with benefit reductions such as reducing the Lifetime Maximum, decreasing their Daily Benefit Maximum, or dropping optional rider(s). Additionally, as an alternative, impacted insureds may also exercise their rights under a non-forfeiture benefit option or the plan's contingent non-forfeiture provision.

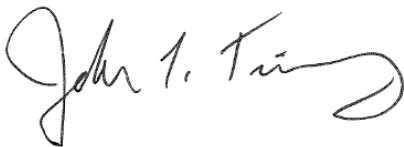
The following items are included with this submission:

- All Actuarial Material
- All Required Certifications
- State transmittal and checklists (If applicable)
- Advance Notification Packet

**Correspondence:** Please correspond directly with my associate concerning this filing.

Raenonna Prince, CLTC, LTCP  
Lead Analyst  
The Prudential Insurance Company of America  
2101 Welsh Rd.  
Dresher, PA 19025  
Voice: (800) 732-0416 or (215) 658-6281  
Fax: (888) 294-6335  
e-mail: [raenonna.prince@prudential.com](mailto:raenonna.prince@prudential.com)

Very truly yours,

A handwritten signature in black ink, appearing to read "John L. Timmerberg". The signature is fluid and cursive, with a large loop at the end.

John L. Timmerberg, ASA, MAAA  
Vice President and Actuary

Enclosures

## Appendix C

### The Prudential Insurance Company of America

#### Description of Experience Analysis and Assumption Setting

##### **Mortality Study**

The total mortality rate assumptions are can be broken into in three distinct parts: (1) a base rate industry mortality table, (2) selection factors created to adjust the table based on Prudential experience, and (3) a mortality improvement factor. The best estimate assumption is applied at the policy level. The industry table rates are attained age and male/female based. The Prudential experience based selection factors vary by issue age, gender and duration of the policy. The improvement assumption varies by calendar year. The selection factor assumptions are developed separately for individual and group products, but base rate table and improvement factors are the same for both products.

The 2Q 18 best estimate mortality assumption was developed using the most recent 5 years of data and a 95% confidence interval test based on the 2017 Best Estimate assumptions as the expected. The assumption was changed if it falls outside the 95% CI. The test was performed at the product and gender level. The selection factors grade to 105% at duration 30 and later consistent with 2Q 17 best estimate assumptions.

Mortality improvement is a factor that is applied to the mortality rate that has been adjusted by selection factors. It is intended to reflect the notion that the probability of death for a given age will decrease over time, as the population as a whole is living longer, indicating an improvement in mortality. The rate will level out after 20 years into the projection.

Prudential's experience study was performed using mortality data from 7/1/2012 – 6/30/2017, with deaths reported through 9/30/2017. This year we used Measure, a Polysystems software, to perform the analysis. This allowed us to use more recent data in our study.

The future expected mortality assumptions were developed based on this historical actual experience and judgment. Based on our analysis, the 2012 IAM Basic Table on an ALB basis matched actual experience the closest, with some adjustments, i.e. ultimate selection factors. Mortality selection factors were developed by issue age, gender, duration, and product type to best match our actual experience using the mortality table as a base.

##### **Voluntary Lapse Study**

A voluntary lapse study was also conducted on the Company's actual experience using data through September 30, 2017. Voluntary lapse rates were calculated based on actual lapses using experience in years 7/1/2014 – 6/30/2017 with lapses reported through 9/30/2017. Similar to

mortality, this year we performed the analysis in house. This allowed us to use more recent data in our study. Voluntary lapses are studied using actual terminations. The impact of shock lapses that occur due to rate increases were removed from the voluntary lapse study to ensure that the lapse experience was not overstated. The future expected voluntary lapse assumptions were developed based on the historical actual experience and judgment. The expected lapse rates vary by policy duration, attained age and select business segments.

### **Morbidity Study**

The morbidity experience on disabled lives (i.e., in claim status) is of critical importance, as it also plays a crucial role in shaping our base morbidity experience on active lives as well as informing our judgment on morbidity improvement. Morbidity is comprised of several assumptions, including utilization, fitting factors, claim cost guidelines, and cost of care inflation.

For 2Q 2018, the experience data analysis was brought in house, and a deep dive on our disabled life assumptions was performed. For the disabled lives analysis, more granularity has been included for site of care where it now matches the granularity of the active life reserves. Additionally, the analysis has led to the conclusion that there are significant differences in utilization by claim duration. We refined the claim continuance assumptions by claim duration and updated the termination rates by site of care and key benefit plans. We performed an iterative analysis of a claim retrospective test by the different drivers of morbidity and along different slices of the business (active, inactive pending, IBNR/CBER) along with the experience-based study of terminations. In the end we created a curve using actuarial judgment that fit well to our experience and produced a better fit to our retrospective tests.

The morbidity study used for active lives modeling was conducted on the Company's nationwide actual experience on incurred claims through Dec 31, 2017 with claims run out through Dec 31, 2017. The approach used to develop best estimate morbidity assumptions was to start with a set of baseline expected claims and review the experience along several key demographic and benefit characteristics. The primary focus was to develop fitting factors was to match historical incurred claims to expected incurred claims.

A claim is based on Prudential's data using the data field "Date First Eligible" (DFE). Each unique DFE is used to identify a claim. Actual claim incidence is determined by counting each claim. Paid claims are discounted (using an interest rate of 5.5% in the appendices) back to the claim incurred date. The claim reserves are discounted from valuation date to the claim incurred date using a 5.5% discount rate. Both paid claims and claim reserves have a 4.5% load applied to reflect waiver of premium. The claim reserves do not include an LAE load or an explicit margin. Actual incurred claims are calculated by adding together the present value of paid claims and claim reserves (including IBNR). Actual average claim severity is calculated by dividing actual incurred claims by the count of claims. In the morbidity study, waiver of premium is

excluded from both the actual claims and expected claims.

The baseline expected incurred claims were developed from Milliman's 2014 LTC Guidelines (*Guidelines*). Given the large size of the data supporting the *Guidelines*, it was viewed as a credible starting point for the analysis. Also, a composite factor was developed for the business based on the distribution by state and the area adjustment factors from the *Guidelines*. The best estimate assumptions do not include an assumption for morbidity improvement.

The process of developing fitting factors, starting with the baseline expected, generally followed the following steps:

- Review experience by issue year and product to determine if the baseline selection factors used are appropriate
- Review experience by issue age, gender, marital status and / or underwriting type
- Review experience by key benefit and demographic characteristics

It should be noted that many of the factors are related to each other. The fitting factors are Prudential adjustments to the 2014 Milliman Cost of Care Guidelines. The guidelines are a set of claim costs based on Milliman's slice of industry wide LTC insurance claims of \$25 Billion. The guidelines include base assumptions, but they are customized to a given company based on characteristics such as underwriting and product design.

**The Prudential Insurance Company of America**  
**Appendix C - Exhibit 1**  
**Mortality Study**  
**Experience by Policy Duration**  
**GLTC**

<b>Duration</b>	<b>Actual Exposures</b>	<b>Actual Mortality</b>	<b>Current Best Estimate</b>	<b>Actual/Best Estimate</b>
1-5	191,762	439	467	94%
6-10	215,958	832	856	97%
11-15	188,890	1,260	1,256	100%
16-20	81,906	858	855	100%
21-25	104,964	1,743	1,778	98%
26+	35,294	868	860	101%
<b>Total</b>	<b>818,773</b>	<b>6,000</b>	<b>6,071</b>	<b>99%</b>

**Notes:**

- 1) Prudential's experience study was performed using mortality data from 7/1/2012 – 6/30/2017, with deaths reported through 9/30/2017.
- 2) Expected Mortality Rate uses 2012 IAM Basic Mortality Table, with mortality selection factors, and 1% improvement per year through 2038.

**The Prudential Insurance Company of America**  
**Appendix C - Exhibit 2**  
**Lapse Study**  
**Experience by Policy Duration**  
**GLTC**

Duration	Actual Exposures	Number of Lapses	Number of Expected Lapses	Actual Lapse Rate	Expected Lapse Rate	Actual/Best Estimate
1	764	36	63	4.7%	8.2%	58%
2	4,984	241	284	4.8%	5.7%	85%
3	18,280	876	876	4.8%	4.8%	100%
4	24,065	580	505	2.4%	2.1%	115%
5	23,545	500	494	2.1%	2.1%	101%
6	18,039	325	379	1.8%	2.1%	86%
7	16,762	367	352	2.2%	2.1%	104%
8	15,927	270	334	1.7%	2.1%	81%
9	17,359	357	347	2.1%	2.0%	103%
10	17,737	267	266	1.5%	1.5%	100%
11	19,496	334	292	1.7%	1.5%	114%
12+	175,386	1,170	1,182	0.7%	0.7%	99%
Grand Total	352,342	5,323	5,376	1.5%	1.5%	99%

Notes:

- 1) Actual lapse rates using July 2014 - June 2017 data were observed.
- 2) Shock lapses have been removed from both actual and expected values.
- 3) Expected Lapse Rate is the assumption used in the current projection assumption.

**The Prudential Insurance Company of America**  
**Appendix C - Exhibit 3**  
**Claim Study**  
**Experience by Calendar Year**  
**GLTC**

Incurred Yr	Actual Paid Claims (in \$MM)	DLR Reserve (in \$MM)	Actual Incurred Claims (in \$MM)	Expected Incurred Claims (in \$MM)	Actual to Expected
<=2005	37.58	1.08	38.65	35.51	109%
2006	6.78	0.29	7.07	7.67	92%
2007	10.46	0.73	11.20	9.51	118%
2008	11.43	0.77	12.20	14.38	85%
2009	18.34	1.68	20.02	22.67	88%
2010	24.26	3.23	27.50	29.29	94%
2011	27.98	4.04	32.02	36.13	89%
2012	32.64	6.92	39.56	41.41	96%
2013	34.74	9.69	44.43	47.55	93%
2014	35.63	20.91	56.54	53.24	106%
2015	35.07	30.98	66.05	59.10	112%
2016	24.42	41.21	65.63	64.46	102%
2017	11.80	63.67	75.47	70.78	107%
2018	0.38	36.56	36.94	39.21	94%
Grand Total	311.52	221.76	533.28	530.92	100%

Notes:

- 1) Experience is through June 30, 2018.
- 2) Paid claims represent the present value of paid claims discounted to the claim incurred date.
- 3) Reserve amounts represent the present value of the remaining claim reserve (including IBNR) discounted to the claim incurred date.
- 4) Expected Claims is based on Milliman's 2014 LTC Guidelines with 2018 Prudential experience fitting factors.
- 5) Claim dollar amounts are discounted using a 5.5% interest rate (both actual and expected).
- 6) This exhibit excludes waiver of premium and return of premium benefits in both actual and expected results.
- 7) Morbidity improvement has been removed from the Expected Incurred Claims.

The Prudential Insurance Company of America  
As Administered by CHCS  
Long-Term Care Customer Service Center  
P.O. Box 8526  
Philadelphia, PA, 19176-8526  
Tel: 1-800-732-0416 Fax: 1-877-773-9515

10/1/2021

John Doe  
123 Main St.  
Virginia City, VA 10101

Re: Long Term Care Insurance – **Notice of Premium Increase**  
Certificate Number: 0123456789

Dear John Doe:

We are writing to inform you that we are increasing the premium for the above-referenced long term care insurance coverage by 10%. We understand this premium increase impacts you financially, but we hope you will continue to appreciate the value of your long term care insurance coverage. The increase impacts a broad group of long term care insurance customers like you and is not based on any individual's personal factors, such as health status or claim history. We determined that a premium rate increase was necessary after thoroughly evaluating the factors that impact premium rates, including assumptions we make about the amount of claims we expect to pay, the life expectancy of our insureds, the number of insureds who will lapse their coverage over the life of the coverage and prevailing interest rates. After conducting an extensive review of our actual experience concerning each of these factors, we determined that a premium increase is necessary to continue to provide the quality insurance coverage you have come to expect. The new monthly premium payment will change from \$100.00 to \$110.00. This increase will take effect on 01/01/2022.<sup>1</sup>



Your current premium is \$100.00, paid monthly. This premium increase implemented as shown in the chart below. This chart reflects your premium increase assuming no changes are made to your policy<sup>1</sup>.

[IF STATE APPROVES A SINGLE INCREASE:]

Effective Date of Premium Increase	Premium Increase Percentage	New Monthly Premium
01/01/2022	10%	\$110.00

This rate increase request was reviewed by the Virginia State Corporation Commission and was found to be compliant with applicable Virginia laws and regulations addressing long-term care insurance. All premium rate filings are available for public inspection and may be accessed online through the Virginia Bureau of Insurance's webpage at [www.scc.virginia.gov/BOI](http://www.scc.virginia.gov/BOI).

We have also notified the Group Contract Holder through which this coverage was purchased. Please read this letter carefully and in its entirety. Please also refer to the enclosed document entitled *Frequently Asked Questions*, which provides more information about this premium increase. If you have other questions or concerns after reviewing this letter, **please call our Long-Term Care Customer Service Center at 1-800-732-0416**. We have a dedicated team ready to assist you Monday through Friday during normal business hours, 8:00 a.m. to 7:00 p.m., Eastern Standard Time.

You will see this change reflected in the statement preceding the effective date of the increased premium rate.

If you decide to pay your premium at the increased rate listed above, your coverage will remain the same. In the alternative, we have set forth a number of options below that will allow you to reduce the amount of your premium increases by electing to reduce the amount of coverage you have. We urge you to consider each of these options carefully.

### **Personalized Options to Reduce the Impact of the Premium Rate Increase**

- You may reduce your current Facility Daily Benefit (FDB) for Nursing Home care. Please note all other benefits are calculated as a percentage or a factor of this Facility Daily Benefit for Nursing Home amount; therefore, a reduction to the Facility Daily Benefit for Nursing Home care will reduce all of your other benefits accordingly. This means the maximum benefit you could receive under the coverage for each day you receive benefits will be reduced to the amount stated below. This change would moderate the impact of the increase in premium.<sup>2</sup>

Please note that by reducing your Facility Daily Benefit for Nursing Home care, you will also be reducing the total dollar amount of benefits payable under your coverage (Lifetime Maximum Benefit/LMB), since the Lifetime Maximum Benefit is calculated by multiplying the Facility Daily Benefit for Nursing Home care by the number of days the coverage was intended to last, unless your coverage has an unlimited Lifetime Maximum Benefit. For example, \$100 Facility Daily Benefit for Nursing Home care x 5 year plan x 365 days = \$182,500. Reducing the Facility Daily Benefit for Nursing Home care to \$80 = \$80 x 5 years x 365 days = \$146,000.

Before making any decision to reduce your Facility Daily Benefit for Nursing Home care, please consider the current and future cost of care in the geographic area where you anticipate receiving care, and the amount you expect to be able to pay for care from your own assets and savings.

- You may reduce your Lifetime Maximum Benefit amount by changing the number of years used to calculate such benefits. This means your Lifetime Maximum Benefit shown in a dollar amount will be recalculated to a lower dollar amount. This change may help to minimize the impact of the increase in premium.
- You may reduce **both** your current Facility Daily Benefit for Nursing Home care **and** your Lifetime Maximum Benefit. This combination of changes may help to minimize the impact of the increase in premium.

PERSONALIZED OPTIONS				
	Facility Daily Benefit <sup>2</sup>	Lifetime Maximum Benefit <sup>3</sup>	Current Premium	New Monthly Premium <sup>4</sup>
Keep your Current Coverage	\$200	5-Year	\$100	\$110
Reduce your FDB	\$182	5-Year	\$100	\$100
Reduce your LMB	\$200	3-Year	\$100	\$101
Reduce your FDB & LMB	\$195	4-Year	\$100	\$100

**IF YOUR EXISTING COVERAGE QUALIFIES AS A PARTNERSHIP ELIGIBLE PLAN, PLEASE NOTE.** If you elect to make any changes to your certificate of coverage, such changes could affect whether your coverage continues to be a Partnership certificate. Before you elect to make any changes, you should consult with a representative from our Customer Service Center at 1-800-732-0416. We have a dedicated team ready to assist you Monday through Friday during normal business hours, 8:00 a.m. to 7:00 p.m., Eastern Standard Time.

If you would like to elect an option to reduce the impact of the premium rate increase, please complete the enclosed Long Term Care Insurance Change Request Form and return it to the address noted on the form **within 30 days of the date of this letter**. This will help to ensure any coverage changes take effect on or prior to the effective date of the premium rate increase. You will be provided with a new Confirmation Statement if you elect to modify your coverage in any way.

Please also note there may be additional options available to you. If you wish to explore other options to reduce the impact of this premium rate increase, please call us at 1-800-732-0416 so we can review with you other options that might be available and the premium associated with those options. We have a dedicated team ready to assist you Monday through Friday during normal business hours, 8:00 a.m. to 7:00 p.m., Eastern Standard Time. Please note that you have a right to receive a revised premium rate or rate schedule upon request.

As an alternative to the options described above, you may exercise a contingent benefit upon lapse right to change your coverage to paid-up status. **The paid up value will be the greater of 100% of the sum of all premiums paid or 30 times the daily nursing home benefit at the time of lapse; in**

**no event will the paid up value exceed the maximum benefits which would be payable if the policy remained in a premium paying status.** If you elect this option, no further premium payments will be due, and your Benefit Waiting/Elimination Period and Facility Daily Benefits will remain the same, but your Lifetime Maximum Benefit will be reduced. If you wish to consider this option and would like to know the amount of your reduced Lifetime Maximum Benefit, please contact our Customer Service Center at 1-**800-732-0416**, Monday through Friday during normal business hours, 8:00 a.m. to 7:00 p.m., Eastern Standard Time. You can elect this option within 120 days of the implementation of the premium increase by checking the appropriate box on the enclosed *Long Term Care Insurance Change Request Form*. If you do not submit a *Long Term Care Insurance Change Request Form* or contact our Customer Service Center and coverage lapses because you do not pay the full increased premium, your coverage will automatically be converted to paid-up status with reduced benefits. If you convert to this status, the amount of your reduced benefits will be provided to you in writing.

**Please Note: All options may not be of equal value.**

It is possible, as we continue to regularly review the factors that impact premium rates, that one or more increase(s) may be needed beyond the increase(s) described in this letter.

In the event a future increase becomes necessary, you will receive another advance notification of the effective date of any such increase. Options similar to those being offered now will be available and changes in benefits may be done at any time upon your request.

We will continue to monitor the factors that impact premiums to determine if our current assumptions are consistent with actual experience.

Any future increase will not be implemented until the request is reviewed and approved by Virginia's State Corporation Commission.

If you elect to maintain your current benefit levels and pay the increased premium, you do not need to take any action at this time. Simply pay the increased premium when due.

If you would like to elect an option to reduce the impact of the premium rate increase, please complete the enclosed *Long Term Care Insurance Change Request Form* and return it to the address noted on the form **within 30 days of the date of this letter.**

If you do not elect a benefit reduction option or inform us of your intent to terminate coverage within 30 days of the date of this letter, we will assume you wish to maintain your current benefit levels at the increased premium rate.

We would like to remind you that there may be additional options available to you. If you wish to explore other options to reduce the impact of this premium rate increase, or if you have questions or concerns after reviewing this letter, **please call our Long-Term Care Customer Service Center at 1-800-732-0416**. We have a dedicated team ready to assist you Monday through Friday during normal business hours, 8:00 a.m. to 7:00 p.m., Eastern Standard Time.

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We appreciate having you as a customer and we look forward to continuing to serve you.

Sincerely,

**Prudential Long Term Care**

<sup>1</sup> The benefit amounts and premium amounts cited in this letter do not reflect any benefit changes that may already be pending at this time. Your actual premium may be different due to rounding.

<sup>2</sup> The Facility Daily Benefit amounts are subject to any applicable state and/or partnership regulatory minimum benefit requirements. The Facility Daily Benefit (FDB) is the most the coverage will reimburse for the costs of covered long-term care services received on any day.

<sup>3</sup> Lifetime Maximum Benefit (LMB) represents the total pool of money available to reimburse the costs of covered long term care services you receive while insured, and is calculated by multiplying your FDB by the number of years in days.

<sup>4</sup> Your actual premium may be different due to rounding.



The Prudential Insurance Company of America  
As Administered by CHCS  
P.O. Box 8526  
Philadelphia, PA, 19176-8526  
Fax: 1-877-773-9515

Certificate Number: 0123456789  
Insured: John Doe

8/12/2021

**Please complete and return by mail or facsimile number shown above.**

## **LONG TERM CARE INSURANCE CHANGE REQUEST FORM**

This form may be used to make changes to your Long Term Care insurance coverage to reduce the impact of your premium increase. Before making any changes, we strongly encourage you to review your certificate of insurance and to call our Long Term Care Customer Service Center at **1-800-732-0416** to discuss the complete range of options available to you, including how your selection of each option will affect (1) the amount of premium you will be required to pay, and (2) your coverage. We have a dedicated team ready to assist you Monday through Friday during normal business hours, 8:00 a.m. to 7:00 p.m., Eastern Standard Time.

**Please indicate your change(s) by checking and completing the options below. Sign and return this form within 30 days of the date above. This will help to ensure any coverage changes take effect on or prior to the effective date of the increase.**

**NOTE: If you check more than one option, you should call us for the actual premium amounts since those shown in the letter included with this form will change.**

- ☐ Decrease my Facility Daily Benefit for Nursing Home care from \$200 to \$182. I understand all other benefits calculated as a percentage or a factor of this Facility Daily Benefit for Nursing Home amount will also be reduced accordingly.
- ☐ Decrease my Lifetime Maximum Benefit amount by changing the number of years used to calculate such benefits from 5 years to 3 years.
- ☐ Decrease my Facility Daily Benefit for Nursing Home care from \$200 to \$195 **AND** decrease my Lifetime Maximum Benefit amount by changing the number of years used to calculate such benefits from 5 years to 4 years. I understand all other benefits calculated as a percentage or a factor of this Facility Daily Benefit for Nursing Home amount will also be reduced accordingly.
- ☐ I wish to exercise the contingent benefit upon lapse option. I understand I can only make this election within the 120 day period following the due date of my increased premium, and I must continue paying premium up until that due date. I further understand by making this election, no further premium payments will be due and my Benefit Waiting/Elimination Period and Facility Daily Benefits will remain the same, but my Lifetime Maximum Benefit



**Prudential**

**The Prudential Insurance Company of America**  
As Administered by CHCS  
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will be reduced, and I will not be eligible for any additional inflation protection increases because my coverage will be on paid-up status. I understand if I elect this option, I cannot elect any of the other options shown on this form.

- ☐ I wish to do the following: I understand someone from the Long Term Care Customer Service Center may call me to clarify my wishes or explain if the change requested can be made. Please fill in this section **ONLY** if you have already contacted the Customer Service Center to explore alternative options and the associated cost.

**Please Note: All options may not be of equal value.**

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**IF YOUR EXISTING COVERAGE QUALIFIES AS A PARTNERSHIP ELIGIBLE PLAN, PLEASE NOTE. Whether your coverage qualifies for Partnership depends in part on your age and the type of inflation protection you select and maintain. I understand that a reduction to my inflation protection coverage may affect whether my coverage continues to be a Partnership eligible. I understand that to retain my Partnership qualification status, I need to maintain the level of inflation protection in effect.**

Please also note there may be additional options available to you. If you wish to explore other options to reduce the impact of this premium rate increase, please call us at **1-800-732-0416** so we can review with you other options that might be available and the premium associated with those options. We have a dedicated team ready to assist you Monday through Friday during normal business hours, 8:00 a.m. to 7:00 p.m., Eastern Standard Time.

I understand the coverage change(s) I have selected above will reduce my current benefits, depending upon the option(s) selected in exchange for a corresponding reduction in the premium that I will be required to pay when the impending premium rate increase takes effect. I acknowledge The Prudential Insurance Company of America (Prudential) has made the Long Term Care Customer Service Center available for me to discuss these option(s). I affirm these selection(s) are made voluntarily and I am under no obligation to make them. I understand that I may consult with accounting, financial planning, tax and other professional advisors before making any change(s) to my coverage. I acknowledge that Prudential encourages me to do so to ensure that any change(s) I make to my coverage best suit my individual financial and insurance needs. I agree any change(s) will become effective on the date set by The Prudential Insurance Company of America upon receipt of this request.

---

Signature of Insured for Certificate Number:  
0123456789

---

Date Signed:



**The Prudential Insurance Company of America**  
As Administered by CHCS  
P.O. Box 8526  
Philadelphia, PA, 19176-8526  
Fax: 1-877-773-9515

All requested changes to your benefits must be in writing and cannot be processed over the phone.

## **The Prudential Insurance Company of America**

### **Frequently Asked Questions Relating to Premium Increase**

**Question: Why are you raising long term care insurance premium rates?**

**Answer:** We monitor in-force contracts like yours to make sure we will be able to meet our future claim obligations. The premiums we charge are influenced by a number of factors, including assumptions we make about the amount of claims we expect to pay, the life expectancy of our insureds, the number of insureds who will lapse their coverage over the life of the policy and prevailing interest rate levels. We used the best available information to establish the original premium rates, but our actual experience has been materially different compared to our original assumptions. Our review of the actual experience has resulted in changes to the assumptions we use to project future experience and the premium necessary to keep pace with that expected future experience. Unfortunately, the experience trends we, as well as the long term care insurance industry generally are seeing necessitates that we raise premium rates.

**Question: What allows you to raise premiums on these plans?**

**Answer:** The certificate of insurance we issued to you describes our right to increase the premium we charge for the insurance. Generally, this language can be found in both the “Renewability” and “Increases in Premiums” provisions.

**Question: Will you raise premiums on these plans again?**

**Answer:** It is possible, as we continue to regularly review the factors that impact premium rates, that one or more increase(s) may be needed beyond the increase(s) described in this letter. Should another rate increase be necessary, it will not be implemented until the request is reviewed and approved by Virginia's State Corporation Commission.

In the event that a future increase becomes necessary, you will receive another advance notification of the effective date of any such increase. We will continue to monitor the factors that impact premiums to determine if our assumptions are consistent with actual experience.

**Question: When will this premium increase become effective?**

**Answer:** That date is set forth in the letter to which this Frequently Asked Questions form was attached.

**Question: What options do I have to moderate the impact of the premium increase?**

**Answer:** You may keep the coverage you have with all of its current features by paying the increased premium rate. Alternatively, we have included benefit reduction options with this letter to help moderate the impact of the premium increase. If you would like to elect one of these options to reduce or eliminate the impact of the premium increase, please review, complete and return the enclosed Long Term Care Insurance Change Request Form. The Long Term Care Customer Service Center is available to discuss other available options to help reduce your



## **The Prudential Insurance Company of America**

premium. They can be reached at 1-800-732-0416 and are available to assist you Monday through Friday during normal business hours, 8:00 a.m. to 7:00 p.m., Eastern Standard Time

### **Question: Will the rate increase be effective for everyone in my group at the same time?**

**Answer:** No. Impacted insureds have different premium due dates and were issued coverage in different states. The increase cannot be implemented until The Prudential Insurance Company of America (Prudential), receives necessary state approval or authorization and establishes an implementation date. The increase will be staggered in accordance with when regulatory approvals and authorizations are obtained.

### **Question: Will everyone's premium be increased by the same amount?**

**Answer:** Not necessarily. Since Prudential must receive necessary state approval or authorization prior to implementing the increase, it is possible not every state will approve or authorize the same percentage increase. It is also possible some states may deny Prudential's request for an increase, or require it be reduced or spread over multiple years.

### **Question: What will happen to my premium if I am currently on Waiver of Premium?**

**Answer:** If you are currently not paying premiums under the Waiver of Premium provision in your policy, you will not be immediately affected by this rate increase. Should you cease to be eligible under the Waiver of Premium provision, the rate increase will be effective on your next premium due date. However, please note, you will receive a notice of the increase at least 75 days prior to implementation. Additionally, the notice will include available options specific to you, to reduce coverage and help mitigate the impact of the rate increase.



**Ritu Jain, ASA, MAAA**  
Prudential Long Term Care  
751 Broad St, 11<sup>th</sup> Floor  
Newark, NJ 07102  
Tel: (973) 548-6459  
[ritu.jain@prudential.com](mailto:ritu.jain@prudential.com)

Date: December 4, 2019

To: Bobby Toone  
Virginia Department of Insurance

Re: SERFF Tracking Number: PRUD-131998699  
Objection Letter Dated November 15, 2019  
GLTC-4 Re-Rate

Dear Mr. Toone,

This is in response to your questions on November 15<sup>th</sup>, 2019.

**Objection 1**

**Please complete the Rate Request Summary by attaching the required narrative to the form. The narrative should be fairly high level but at least explain to the consumer, in user-friendly language the assumptions and changes that are driving the need for an increase.**

Please refer to the enclosed LTC Rate Summary Narrative.

**Objection 2**


**Please provide the Previous State Filing Number, as requested under the rate Action Information Section of the Rate/Rule Schedule. If this is the first requested rate increase, please provide the State Filing Number associated with the filing under which these forms were first submitted.**

Please be advised that this is the first proposed rate increase for this block of business. The original rates associated with this block of business were approved on April 2, 2009, under SERFF Filing Number SERT-6Q6JFL985, State Filing Number 7/26769.

I appreciate your time and consideration. If there are any additional questions, please feel free to contact me.

Sincerely,

**Ritu Jain, Director,  
Actuary, ASA, MAAA**

 Digitally signed by Ritu Jain, Director,  
Actuary, ASA, MAAA  
Date: 2019.12.05 17:28:10 -05'00'

Ritu Jain, ASA, MAAA  
Director, Actuary  
Prudential Long Term Care



**Arun Paul, ASA, MAAA**  
Associate Actuary  
Prudential Long Term Care  
2101 Welsh Rd., Dresher, PA 19025  
Tel: (215) 658-5492  
arun.paul@prudential.com

Date: May 7, 2020

To: Bobby Toone  
Virginia Department of Insurance

Re: SERFF Tracking Number: PRUD-131998699  
Objection Letter Dated April 13, 2020  
GLTC-4 Re-Rate

Dear Mr. Toone,

This is in response to your questions on April 13, 2020

**Objection 1**

**How many policies were issued after 09/01/2015?**

There were no policies issued after 9/1/2015 in Virginia.

**Objection 2**

**Any policies issued after 09/01/2015 are subject to the regulations found in 14VAC5-200-154. Please provide separate exhibits for any policies issued after 09/01/2015 in compliance with 14VAC5-200-154.**

N/A

I appreciate your time and consideration. If there are any additional questions, please feel free to contact me.

Sincerely,

**Arun Paul, Sr. Actuarial  
Associate, ASA, MAAA**

Digitally signed by Arun Paul, Sr.  
Actuarial Associate, ASA, MAAA  
Date: 2020.05.07 17:50:18 -04'00'

Arun Paul, ASA, MAAA  
Associate Actuary  
Prudential Long Term Care



**Ritu Jain, FSA, MAAA**  
Prudential Long Term Care  
751 Broad St, 11<sup>th</sup> Floor  
Newark, NJ 07102  
Tel: (973) 548-6459  
[ritu.jain@prudential.com](mailto:ritu.jain@prudential.com)

Date: June 4<sup>th</sup>, 2020

To: Bobby Toone  
Virginia Department of Insurance

Re: SERFF Tracking Number: PRUD-131998699  
Objection Letter Dated May 19<sup>th</sup>, 2020  
GLTC-4 Re-Rate

Dear Mr. Toone,

This is in response to your questions on May 19<sup>th</sup>, 2020.

**Objection 1**

**Section 1 of the Actuarial Memorandum states the proposed increase will affect the Long-Term Care Forms and their associated riders. Please make sure any riders that are affected by this increase are listed in the Act. Memo. and in the Rate/Rule Schedule.**

The Act Memo and the Rate/Rule Schedule have been updated to include the list of associated riders.

**Objection 2**

**In compliance with 14VAC5-200-153 C 4, please verify that all present and accumulated values used to determine rate increases are using the maximum valuation interest rate for contract reserves as specified in § 38.2-1371 of the Code of Virginia. If not, please make the necessary revisions.**

All present and accumulated values used to determine rate increases, including the lifetime loss ratio used in the original pricing, use the maximum valuation interest rate for contract reserves. An annual interest rate of 4.0% was used to calculate the lifetime loss ratio in the supporting appendices. This was determined based on the predominant number of certificates issued in years for which the maximum statutory valuation rate was 4.0%.

**Objection 3**

**Please advise if the actuarial assumptions associated with the rate increase request are consistent with the assumptions embedded in the most recent asset adequacy testing. If not, either make the appropriate revisions or explain any discrepancies.**

Mortality, morbidity and lapse assumptions used in this filing are 2018 best estimates and are consistent with assumptions used in asset adequacy analysis (AAT) at the time of the filing; however, additional margin is included in AAT.

**Objection 4**

**Please provide sufficient detail or documentation so that any projections can be recreated. Please provide a copy of all projections in Excel with working formulas. Re-state the nationwide experience using Virginia approved rates.**

Please see the attached file “VA GLTC4 Projections - with Formulas.xlsx” for the projections with formulas and “Model Formulas.pdf” for a general overview of our model framework. Additional details about the morbidity, mortality, and lapse assumptions can be found in the file “2018 GLTC Morbidity&persistency Assumptions.xlsx” and Actuarial Memo. The nationwide experience is on a Virginia rate basis.

#### **Objection 5**

**Please provide an actual-to-expected analysis on the original assumptions and those included in the current filing.**

Please see the attached file “GLTC4 Original Pricing A to E Exhibit.pdf” for actual-to-expected analysis based on the original pricing assumptions. The A/E based on current assumptions were provided with initial filing.

#### **Objection 6**

**Please provide a step-by-step quantification of the impact of the change in each assumption from the original assumptions to the current assumptions.**

The walk from original lifetime loss ratio to current lifetime loss ratio is as follows:

- The original lifetime loss ratio was 79%.
- Updating the mortality and lapse assumptions increases the loss ratio to 146%.
- Incorporating the updated morbidity assumptions changes the loss ratio to 83%.
- Updating the premiums to reflect current premium levels, the loss ratio is 85%.

These projections were created using the GLTC4 original issue business only and excludes any takeovers or upgrades. Hence the current lifetime loss ratio of 85% is slightly different from the lifetime loss ratio of 89% without requested increase that was included in the initial filing.

#### **Objection 7**

**Please advise in which states the company has requested rate increases on this block and describe how the rate changes requested in Virginia compare with those in other states, along with a listing of the status of the rate reviews in those other states.**

Prudential seeks to achieve nationwide rate parity and is asking for equivalent rate increases across all states. This is the first rate increase request for GLTC4. Please see the attached file “GLTC4 Rate Increase History.pdf” for the status of current rate increase filings in all states.

#### **Objection 8**

**Please state the lifetime loss ratio anticipated in the original filing.**

The lifetime loss ratio based on the original distribution of business expected with original pricing assumptions, using the original 4.0% discount rate, was 79.7%.



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I appreciate your time and consideration. If there are any additional questions, please feel free to contact me.

Sincerely,

**Ritu Jain, Director, Actuary,  
ASA, MAAA**

Digitally signed by Ritu Jain, Director,  
Actuary, ASA, MAAA  
Date: 2020.06.18 15:50:43 -04'00'

Ritu Jain, FSA, MAAA  
Director, Actuary  
Prudential Long Term Care

#### GLTC4: Lapse Actual to Expected Experience by Duration

Duration	Actual Exposures	Number of Lapses	Original Pricing Expected Lapses	Actual Lapse Rate*	Initial Pricing Lapse Rate**	Actual/Initial Pricing
1	496	25	40	5.0%	8.0%	63%
2	3,333	147	167	4.4%	5.0%	88%
3	15,639	744	782	4.8%	5.0%	95%
4	20,269	757	1,013	3.7%	5.0%	75%
5	18,761	888	938	4.7%	5.0%	95%
6	8,267	318	191	3.8%	2.3%	166%
7	4,245	105	95	2.5%	2.2%	110%
8	3,862	87	87	2.3%	2.2%	100%
9	4,290	108	97	2.5%	2.3%	112%
10	5,085	79	116	1.6%	2.3%	68%
11	6,021	124	139	2.1%	2.3%	89%
12+	54,533	742	1,331	1.4%	2.4%	56%
<b>Total</b>	<b>144,800</b>	<b>4,124</b>	<b>4,996</b>	<b>2.8%</b>	<b>3.5%</b>	<b>83%</b>

\*Actual lapse rates using July 2014 - June 2017 data were observed.

\*\*Projected Lapses divided by actual exposures

#### GLTC4: Mortality Actual to Expected Experience by Duration

Duration	Actual Exposure	Actual Mortality*	Initial Pricing Estimate Mortality	Actual/Initial Pricing Estimate
1 to 5	118,189	272	321	85%
6 to 10	44,998	156	333	47%
11 to 15	64,537	369	725	51%
16 to 20	18,386	141	270	52%
21 to 25	8,472	101	200	51%
26+	1,018	13	30	44%
<b>Total</b>	<b>255,599</b>	<b>1,052</b>	<b>1,880</b>	<b>56%</b>

\*Prudential's experience study was performed using mortality data from 7/1/2012 – 6/30/2017, with deaths reported through 9/30/2017.



**GLTC4: Morbidity Actual to Expected Experience by Incurred Year**

<b>Incurred Year</b>	<b>Incurred Claims (Millions)</b>	<b>Expected Claims (Millions)</b>	<b>A/E Ratio</b>
2009	0.0	0.0	0.0%
2010	0.0	0.0	0.0%
2011	0.6	0.2	291.2%
2012	2.2	1.1	198.8%
2013	0.5	1.9	26.7%
2014	3.0	2.3	128.2%
2015	1.1	2.8	38.6%
2016	2.5	3.2	76.3%
2017	2.5	3.8	65.5%
2018	2.0	2.2	90.8%
Grand Total	14.3	17.6	81.4%

\*Original Pricing projections based on retro policies only

Appendix G  
The Prudential Insurance Company of America  
Rate Increase History by State  
GLTC4

State	Premium as of 6/30/2018	First Increase					Second Increase					Cumulative Approval
		Filing Date	Status	Approval Date	Requested Rate Increase	Approved Rate Increase	Filing Date	Status	Approval Date	Requested Rate Increase	Approved Rate Increase	
Alabama	\$ 45,912	5/10/2019	Pending		10.0%							
Alaska	\$ 41,898	12/6/2018	Approved	3/7/2019	10.0%	10.0%						10.0%
Arizona	\$ 282,881	12/7/2018	Approved	12/10/2018	10.0%	10.0%						10.0%
Arkansas	\$ 103,517	5/2/2019	Disapproved		10.0%		4/16/2020	Approved	4/30/2020	10.0%	7.8%	7.8%
California	\$ -											
Colorado	\$ 314,576				10.0%		1/31/2020	Pending		10.0%		
Connecticut	\$ 2,567,684	5/27/2019	Approved	10/11/2019	10.0%	10.0%						10.0%
District of Columbia	\$ 524,863	5/29/2019	Withdrawn		10.0%							
Delaware	\$ 10,653,972	1/24/2019	Approved	4/15/2019	10.0%	10.0%						10.0%
Florida	\$ -											
Georgia	\$ 217,657	3/12/2019	Approved	3/19/2019	10.0%	10.0%						10.0%
Hawaii	\$ -											
Idaho	\$ 126,298	1/28/2019	Pending		10.0%							
Illinois	\$ 1,308,890	1/28/2019	Approved	3/19/2020	10.0%	10.0%						10.0%
Indiana	\$ 507,057	5/22/2019	Approved	1/27/2020	10.0%	10.0%						10.0%
Iowa	\$ 159,819	5/10/2019	Approved	11/15/2019	10.0%	10.0%						10.0%
Kansas	\$ 207,450	4/22/2019	Approved	6/17/2019	10.0%	8.0%						8.0%
Kentucky	\$ 69,081	2/22/2019	Approved	4/17/2019	10.0%	10.0%						10.0%
Louisiana	\$ 278,529	1/30/2019	Approved	3/13/2019	10.0%	10.0%						10.0%
Maine	\$ -											
Maryland	\$ 2,278,225	1/28/2019	Approved	3/24/2020	10.0%	4.9%						4.9%
Massachusetts	\$ 6,381,689	11/30/2018	Approved	1/31/2019	10.0%	10.0%						10.0%
Michigan	\$ 11,987,873	12/17/2018	Approved	1/2/2019	10.0%	10.0%						10.0%
Minnesota	\$ 693,816	1/23/2019	Approved	6/12/2019	10.0%	10.0%						10.0%
Mississippi	\$ 103,148	4/15/2019	Approved	10/22/2019	10.0%	10.0%						10.0%
Missouri	\$ 1,061,952	1/30/2019	Approved	2/11/2019	10.0%	10.0%						10.0%
Montana	\$ 80,761	4/12/2019	Withdrawn		10.0%		4/29/2020	Pending		10.0%		
Nebraska	\$ 62,784	6/26/2019	Approved	11/26/2019	10.0%	10.0%						10.0%
Nevada	\$ 151,103	1/28/2019	Approved	7/11/2019	10.0%	10.0%						10.0%
New Hampshire	\$ 448,068	5/8/2019	Approved	10/11/2019	10.0%	10.0%						10.0%
New Jersey	\$ 5,601,283	12/31/2018	Approved	3/31/2019	10.0%	10.0%						10.0%
New Mexico	\$ 120,298	4/5/2019	Approved	5/6/2019	10.0%	5.0%	4/24/2020	Pending		4.8%		5.0%
New York	\$ 4,870,271	10/28/2019	Approved	12/10/2019	10.0%	5.0%						5.0%
North Carolina	\$ 480,116	4/30/2019	Pending		10.0%							
North Dakota	\$ -											
Ohio	\$ 2,853,611	1/17/2019	Approved	6/25/2019	10.0%	10.0%						10.0%
Oklahoma	\$ 204,332	2/27/2019	Approved	3/26/2019	10.0%	10.0%						10.0%
Oregon	\$ 773,102	1/31/2019	Pending		10.0%							
Pennsylvania	\$ 4,435,145	1/17/2019	Approved	5/14/2019	10.0%	10.0%						10.0%
Rhode Island	\$ 149,776	4/22/2019	Pending		10.0%							
South Carolina	\$ 664,985	12/19/2018	Approved	3/10/2020	10.0%	10.0%						10.0%
South Dakota	\$ 16,182	5/21/2019	Approved	9/10/2019	10.0%	10.0%						10.0%
Tennessee	\$ 1,180,364	1/29/2019	Approved	5/30/2019	10.0%	10.0%						10.0%
Texas	\$ 511,589	6/10/2019	Withdrawn		10.0%							
Utah	\$ 918,305	1/24/2019	Approved	4/24/2019	10.0%	10.0%						10.0%
Vermont	\$ 74,978	4/9/2019	Pending		10.0%							
Virginia - Pre-RS	\$ -				10.0%							
Virginia - Post-RS	\$ 3,507,257				10.0%							
Washington	\$ 1,801,865	1/29/2019	Approved	4/20/2020	10.0%	10.0%						10.0%
West Virginia	\$ 3,130	5/10/2019	Approved	6/3/2019	10.0%	10.0%						10.0%
Wyoming	\$ -											
Wisconsin	\$ 37,244	4/11/2019	Approved	7/2/2019	10.0%	10.0%						10.0%
<b>Total:</b>	<b>\$ 68,863,335</b>											

The approved rates might be filed, acknowledged, or approved.

## General Model Framework

The formulas listed below describe the calculations used in the model to determine the lifetime loss ratio. The model makes further, more complex calculations in order to consider the timing related to different modal options. The assumptions and other methodologies are further described in the Actuarial Memorandum filed with the state.

### Projected Lives Calculations

$$lx(t) = lx(t-1) * (1-qxd(t)) * (1-qxw(t))$$

where,

$lx(t)$  is the number of lives at time  $t$

$x$  is the issue age of the policy

$qxd(t)$  is the mortality rate for time  $t$

$qxw(t)$  is the voluntary lapse rate for time  $t$

Note: Policies that exhaust benefits are also decremented from the population.

### Projected Premium Calculation

$$PP(t) = lx(t-1) * \text{modal\_premium} * \text{modal\_indicator}$$

$$EP(t) = PP(t) + [UePR(t) - UePR(t-1)]$$

where,

$PP(t)$  is the paid premium in month  $t$ .

$\text{modal\_indicator}$  is the flag used to indicate if a premium is paid during the month, based on the bill mode of the policy.

$EP(t)$  is the earned premium in month  $t$ .

$UePR(t)$  is the unearned premium reserve at time  $t$ .

Note: Waived premium is included in the premium calculation

### Projected Incurred Claim Calculation

$$IC(t) = lx(t-1) * CC(t) * SF(t) * \text{utilization}(t) * \text{exp\_adj}(t) * j\_prime(t) * DB(t) * \text{waiver\_load}$$

where,

$IC(t)$  is the incurred claims in month  $t$

$CC(t)$  is the claim cost per \$1 daily benefit at time  $t$  (based on the policy benefits and demographics such as product, benefit period, elimination period, type of coverage and various riders).

$SF(t)$  is the selection factor for month  $t$ .

$\text{utilization}(t)$  is the utilization factor for month  $t$  (reflects that the full daily benefits are not paid out and that services are not utilized each day that insured is benefit eligible).

$\text{Exp\_adj}(t)$  is a factor representing experience adjustments for time  $t$ .

$j\_prime(t)$  is the factor to convert all lives ( $lx(t-1)$ ) to active, healthy lives. The claim cost assumptions should only be applied to those people not already on claim.

$DB(t)$  is the current daily benefit at time  $t$  (i.e. daily benefit increased for any inflation benefit option).

$\text{Waiver\_Load}$  is the load to include waiver of premium costs in incurred claims.

## General Model Framework

### Lifetime Loss Ratio

$$LR = (\text{Accum\_IC} + \text{PV\_IC}) / (\text{Accum\_EP} + \text{PV\_EP}),$$

where,

LR is the lifetime loss ratio as of 06/30/2019.

Accum\_IC is the historical incurred claims accumulated with interest to 06/30/2019.

PV\_IC is the future incurred claims discounted with interest to 06/30/2019.

Accum\_EP is the historical earned premium accumulated with interest to 06/30/2019.

PV\_EP is the future earned premium discounted with interest to 06/30/2019.

For the purposes of accumulating and discounting, a middle of the year timing is assumed.



**Arun Paul ASA, MAAA**  
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[arun.paul@prudential.com](mailto:arun.paul@prudential.com)

Date: November 5, 2020

To: Bobby Toone  
Virginia Department of Insurance

Re: SERFF Tracking Number: PRUD-131998699  
Objection Letter Dated October 15, 2020  
GLTC-4 Re-Rate

Dear Mr. Toone,

This is in response to your questions on October 15, 2020.

**Objection 1**

**1. For all projections requested in the next question, the baseline should comply with the following:**

**a. Any limited-pay policies that are now in paid-up status should be removed, both from historical experience and future projections.**

**b. For this post-stability block, the Company may choose to use margins for moderately adverse conditions.**

**c. Nationwide premiums should be calculated as if all policies were issued in Virginia for both historical and projected future premiums.**

**d. All discounting should be at the average valuation rate.**

Understood. Please note that there are no limited pay policies for this block of business. We have not applied margins in the projections. However, the lifetime loss ratio with margin applied is provided in Appendix A of the initial filing. The premiums shown in the projections are on Virginia rate basis. The discount rate was determined based on the predominant number of certificates issued in years that the maximum statutory valuation rate was 4.0%.

**2. To assist the Bureau in its review, please provide (in Excel format) the following projections on a nationwide basis:**

**a. current assumptions and current rates**

**b. current assumptions with the proposed rate increase**

**c. current assumptions with the proposed rate increase, but with no shock lapses, benefit reductions, CBUL, or adverse selection (if applicable)**

**d. current assumptions with premiums restated as if the proposed rate schedule had been in effect from inception**

**e. original assumptions and original premiums from inception**

**Projections a-e can be separate tabs or combined into separate columns on the same exhibit.**



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Please see the attached file, "VA GLTC4 Projections.xlsx" for projections a through e.

**Objection 2**

**Please provide the active life reserve as of the projection date. Note that since the Company has strengthened reserves, the Bureau will accept a pro-forma reserve using original pricing assumptions rather than the actual reserves being held.**

The nationwide active life reserves for the GLTC4 block of business is \$604.36 million as of 12/31/2018. The data is as of 12/31/2018 to account for the statutory valuation rule changes that went into effect in 2018.

**Objection 3**

**Please provide all projections and data elements required to calculate the increase allowed under the Prospective PV Approach and the Blended If-Knew/Make-up Approach (see attached description).**

Please see files VA GLTC4 PPV Approach.xlsx and VA GLTC4 If Knew Blended Approach.xlsx.

**Objection 4**

**Please provide a discussion of the credibility of the company's own experience data, including the total number of claims in the Company's historical experience.**

Prudential pools the Group product experience on a nationwide basis and uses it to generate assumptions in aggregate for mortality, morbidity and lapse. The product experience is used to generate assumptions in aggregate for all GLTC products. Furthermore, for morbidity assumptions, a multiplicative fitting factor varying by product is also applied to account for the differences due to product. Prudential considers 1,537 claims to be fully credible based on the Longley standard and evaluated at a 95% confidence level with a 5% margin. This is consistent with Prudential corporate assumption credibility standards.

As Prudential has 6,230 claims across all GLTC products, we consider our aggregate GLTC block to be fully credible.

I appreciate your time and consideration. If there are any additional questions, please feel free to contact me.

Sincerely,

Arun Paul ASA, MAAA  
Associate Actuary  
Prudential Long Term Care



**Meong Kwak**  
Associate Actuary  
Prudential Long Term Care  
2101 Welsh Rd.  
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Date: January 29, 2021

To: Bobby Toone  
Virginia Department of Insurance

Re: SERFF Tracking Number: PRUD-131998699  
Objection Letter Dated November 30, 2020  
GLTC-4 Re-Rate

Dear Mr. Toone,

This is in response to your questions on November 30, 2020.

**Objection 1**

**Projection 2e is not as requested. This should be a projection of what would have happened if all original assumptions had played out exactly as assumed for the cohort of policies actually issued. Therefore, even the historical period (2009 – 2018) should not be based on actual experience but on original assumed morbidity, mortality and lapse.**

Please see attached file “VA GLTC4 2020-11-30 Objection Attachments.xlsx” for the updated projection. Note that the original assumed interest rate was corrected to 5.0%.

**Objection 2**

**The Bureau interprets the statutes to require the future loss ratio, calculated as (PV Future Claims minus Active Life Reserve) divided by PV Future Premiums, to be greater than the minimum loss ratio. The ALR that was provided by the Company (\$604M) could result in no increase being approved. Please ensure that the active life reserve is for only those policies that are included in the projection. Note that using a strengthened reserve basis will result in a lower allowable increase, therefore the Bureau will accept a pro-forma reserve using original pricing assumptions rather than the actual strengthened reserves being held.**

The nationwide pro-forma active life reserves for the GLTC4 block of business is \$4.25 million as of 12/31/2018.

I appreciate your time and consideration. If there are any additional questions, please feel free to contact me.

Sincerely,  
Meong Kwak  
Associate Actuary  
Prudential Long Term Care



**Meong Kwak, ASA, MAAA**  
Associate Actuary  
Prudential Long Term Care  
2101 Welsh Rd  
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267-471-9375  
[meong.kwak@prudential.com](mailto:meong.kwak@prudential.com)

Date: April 26, 2021

To: Bobby Toone  
Virginia Department of Insurance

Re: SERFF Tracking Number: PRUD-131998699  
Objection Dated March 30, 2021  
GLTC2 PostRS Re-Rate

Dear Mr. Toone,

This is in response to your objection on March 30, 2021.

**Objection 1**

**Virginia Regulation 14VAC5-200-125 requires that every insurer with long-term care policies in Virginia shall report their premium rates and experience to the commission every year. We could find no record of any Long-Term Care Annual Rate Reports submitted for these policy forms. If they have been submitted, please provide the SERFF tracking numbers. Otherwise please explain why none have been submitted for these forms.**

Based upon an e-mail exchange between the Department of Insurance and the company back in 2017, along with the state of Virginia's Administrative Letter 2016-02, Prudential believed that the annual rate filing requirements were limited to Individual Long Term Care Insurance Products and that Group Long Term Care Insurance Products were exempt from these requirements. If the state's position has changed on this matter, please advise.

I appreciate your time and consideration. If there are any additional questions, please feel free to contact me.

Sincerely,

Meong Kwak, ASA, MAAA  
Associate Actuary  
Prudential Long Term Care